



CASE STUDY

4 Credit Cards

1 Car Payment

1 Student Loan

1 Mortgage

Monthly Pledge Money: \$125

The screenshot shows the 'Zilch Standard - Main Screen' window. At the top, there are controls for 'Start Month' (Jan 2011), 'Payoff Strategy' (Annual Percentage Rate), 'Pledge Money' (\$125), and 'Repayment Plan' (Immediate). Below this is a table of debts:

	Creditor Name	APR	Current Balance	Monthly Pmt
1	Sears	21.00	3,415.00	85.00
2	MasterCard	19.80	1,705.00	49.00
3	Discover	17.90	3,781.00	95.00
4	Visa	12.90	2,341.00	70.00
5	Mortgage	6.33	240,000.00	1,800.00
6	Auto Loan	4.69	7,100.00	152.00
7	Student Loan	3.69	57,000.00	569.00
7	Totals		\$315,342.00	\$2,820.00

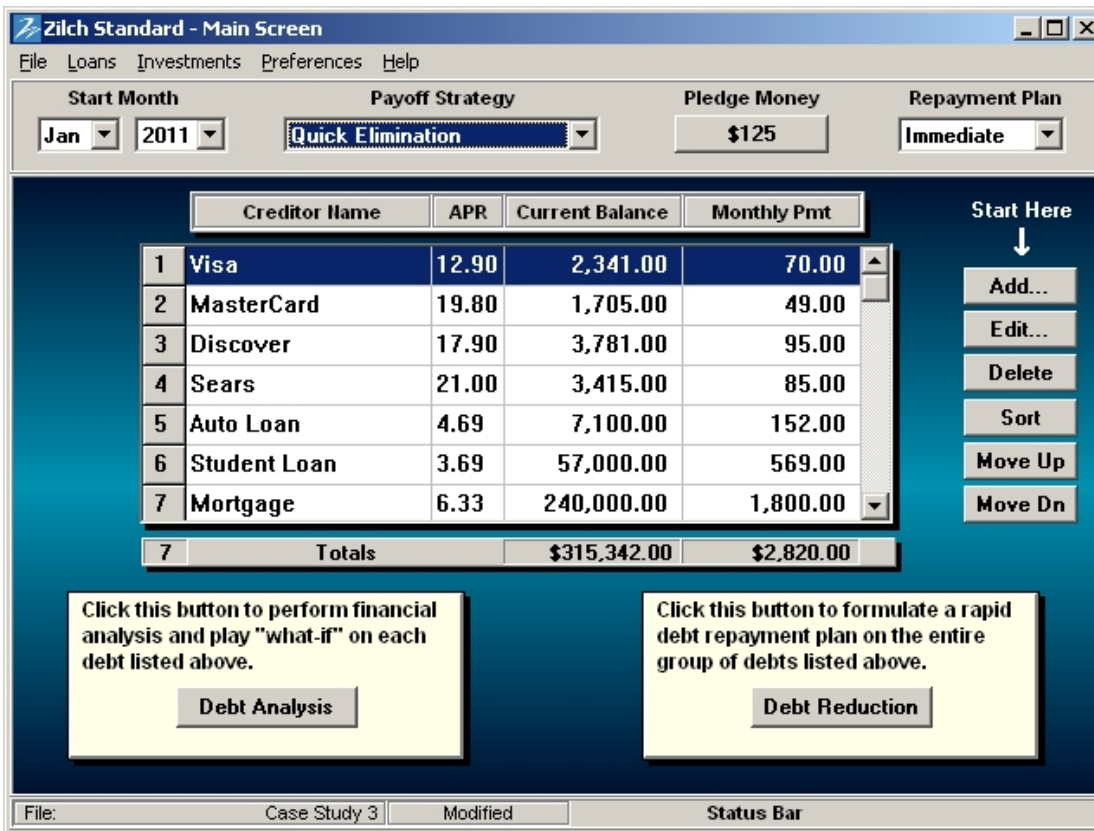
To the right of the table are buttons: Add..., Edit..., Delete, Sort, Move Up, Move Dn. Below the table are two callout boxes:

- Debt Analysis:** Click this button to perform financial analysis and play "what-if" on each debt listed above.
- Debt Reduction:** Click this button to formulate a rapid debt repayment plan on the entire group of debts listed above.

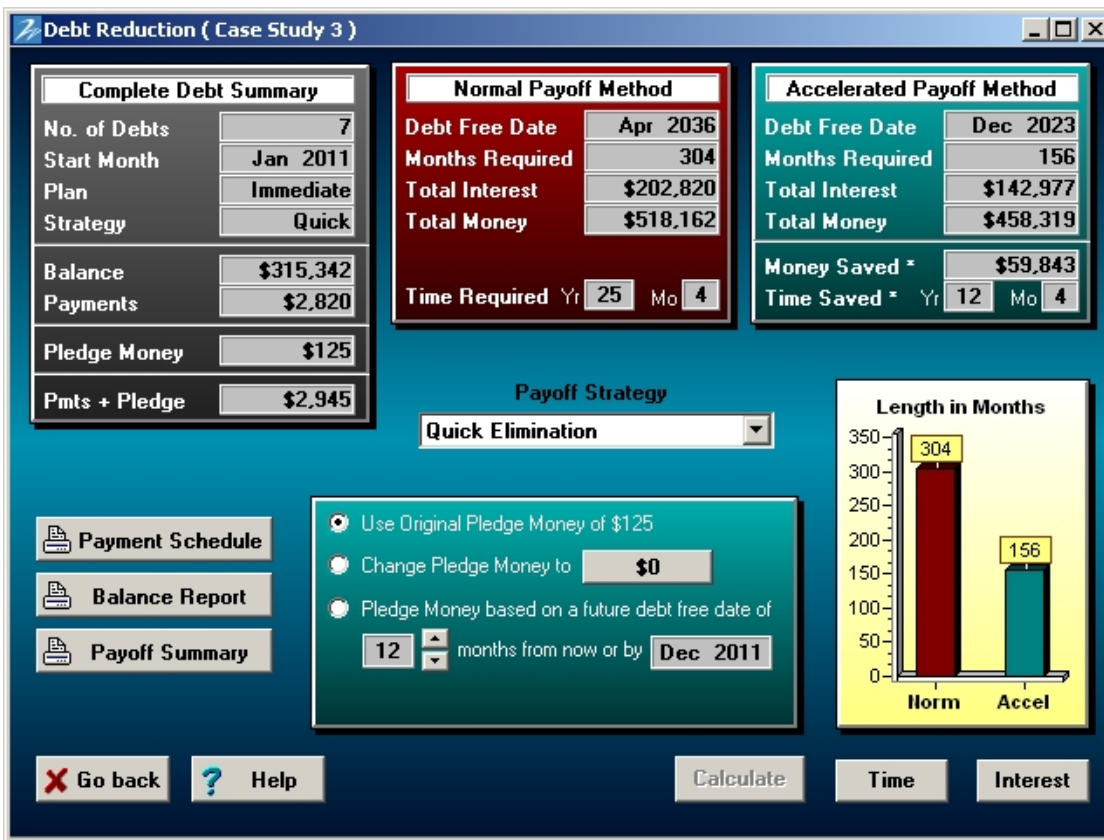
The status bar at the bottom shows 'File: Case Study 3 Modified Status Bar'.

Notice that the default payoff strategy of Annual Percentage Rate gives the Mortgage a higher priority than the Auto Loan and the Student Loan.

Step 1: Change the Payoff Strategy to Quick Elimination. This will prioritize the debts based on which ones will go away the fastest.



Step 2. Click the Debt Reduction button to see how fast you can get out of debt.



By following this plan you will be completely paid off in 13 years. That includes your Mortgage!



Payoff Summary Report

Payoff Strategy: Quick Elimination

Date Prepared: 1/29/2011

Pledge Money: \$125

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Start Month: Jan 2011

<u>Payoff Priority</u>	<u>Creditor Name</u>	<u>APR</u>	<u>Starting Balance</u>	<u>Monthly Payment</u>	<u>Interest</u>
1	Visa	12.90	2,341.00	70.00	1,155.53
2	MasterCard	19.80	1,705.00	49.00	1,857.39
3	Discover	17.90	3,781.00	95.00	4,973.67
4	Sears	21.00	3,415.00	85.00	7,096.53
5	Auto Loan	4.69	7,100.00	152.00	755.02
6	Student Loan	3.69	57,000.00	569.00	11,241.82
7	Mortgage	6.33	240,000.00	1,800.00	175,739.78
Totals			315,342.00	2,820.00	

Normal Payoff Method

Debt Free Date	Apr 2036 (25 Yrs 4 Mos)
Total Interest Paid	\$202,820
Total Money Paid	\$518,162
Number of Months Required	304

ZilchWorks Payoff Method

Debt Free Date	Dec 2023 (13 Yrs)
Total Interest Paid	\$142,977
Total Money Paid	\$458,319
Number of Months Required	156
Money Saved	\$59,843
Time Saved	12 Yrs 4 Mos



Monthly Payment Schedule

Payoff Strategy: Quick Elimination
Pledge Money: \$125

Date Prepared: 1/29/2011
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2011 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Visa	195	195	195	195	195	195	195	195	195	195	195	195
MasterCard	49	49	49	49	49	49	49	49	49	49	49	49
Discover	95	95	95	95	95	95	95	95	95	95	95	95
Sears	85	85	85	85	85	85	85	85	85	85	85	85
Auto Loan	152	152	152	152	152	152	152	152	152	152	152	152
Student Loan	569	569	569	569	569	569	569	569	569	569	569	569
Mortgage	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800

2012 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Visa	180	0	0	0	0	0	0	0	0	0	0	0
MasterCard	64	244	244	244	244	244	244	8	0	0	0	0
Discover	95	95	95	95	95	95	95	331	339	339	339	339
Sears	85	85	85	85	85	85	85	85	85	85	85	85
Auto Loan	152	152	152	152	152	152	152	152	152	152	152	152
Student Loan	569	569	569	569	569	569	569	569	569	569	569	569
Mortgage	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800

2013 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Discover	339	339	339	339	131	0	0	0	0	0	0	0
Sears	85	85	85	85	293	424	424	424	424	424	278	0
Auto Loan	152	152	152	152	152	152	152	152	152	152	298	576
Student Loan	569	569	569	569	569	569	569	569	569	569	569	569
Mortgage	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800



Monthly Payment Schedule

Payoff Strategy: Quick Elimination
Pledge Money: \$125

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2014 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Auto Loan	576	576	576	22	0	0	0	0	0	0	0	0
Student Loan	569	569	569	1,123	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145
Mortgage	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800

2015 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Student Loan	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145
Mortgage	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800

2016 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Student Loan	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145
Mortgage	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800

2017 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Student Loan	1,145	1,145	1,145	1,145	842	0	0	0	0	0	0	0
Mortgage	1,800	1,800	1,800	1,800	2,103	2,945	2,945	2,945	2,945	2,945	2,945	2,945

2018 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Mortgage	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945



Monthly Payment Schedule

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2019 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Mortgage	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945

2020 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Mortgage	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945

2021 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Mortgage	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945

2022 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Mortgage	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945

2023 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Mortgage	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	2,945	1,844