

# Example Debt Reduction Plan

## The Challenge

- 5 Credit Cards
- 1 Automobile Loan
- Total Debt: \$11,719
- Extra Money Available Each Month: \$100

Creditor	APR	Balance	Payment
Radio Shack	21.00	215.00	15.00
Sears	21.00	365.00	23
MasterCard	19.80	1,705.00	49.00
Visa	15.90	2,341.00	73.00
Discover	12.90	1,250.00	27.00
Auto Loan	10.90	5,843.00	315.00
<b>Totals</b>		<b>11,719</b>	<b>502.00</b>

- It will take 12 years and 5 months to pay off these debts
- Interest Charges: **\$4,917**
- Total Money Paid: **\$16,636**

## The Solution

- It will take 1 years and 11 months to pay off these debts
- Interest Charges: **\$1,599**
- Total Money Paid: **\$13,318**
- Money Save: **\$3,318**
- Time Saved: **10 Yrs 6 Mos**

The following pages contain the actual debt reduction plan for producing the above money saving results.

Prepared for:  
**Mr. & Mrs. John Public**  
 27 Penny Lane  
 Anytown, USA 98765

Date Prepared: 4/30/2006  
 Payoff Strategy: Annual Percentage Rate  
**Pledge Money: \$100**  
 Start Month: Apr 2006

## Payoff Summary Report

<u>Pay Off</u> <u>Priority</u>	<u>Creditor Name</u>	<u>APR</u>	<u>Starting</u> <u>Balance</u>	<u>Monthly</u> <u>Payment</u>	<u>Interest</u>
1	Radio Shack	21.00	215.00	15.00	34.72
2	Sears	21.00	365.00	23.00	92.14
3	MasterCard	19.80	1,705.00	49.00	1,857.39
4	Visa	15.90	2,341.00	73.00	1,523.64
5	Discover	12.90	1,250.00	27.00	823.75
6	Auto Loan	10.90	5,843.00	315.00	584.97
<b>Totals</b>			<b>11,719.00</b>	<b>502.00</b>	

### Payoff Summary Totals

<b>Debt Free Date</b>	<b>Aug 2018</b> <b>(12 Yrs 5 Mos)</b>
Total Interest Paid	\$4,917
<b>Total Money Paid</b>	<b>\$16,636</b>
Months Required	149

### Accelerated Payoff Method

<b>Debt Free Date</b>	<b>Feb 2008</b> <b>(1 Yr 11 Mos)</b>
Total Interest Paid	\$1,599
Total Money Paid	\$13,318
Months Required	23
<b>Money Saved</b>	<b>\$3,318</b>
<b>Time Saved</b>	<b>10 Yrs 6 Mos</b>

*This report prepared by:*

ZilchWorks

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## Monthly Payment Schedule

### 2006 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>
Radio Shack	***	***	***	115	106	0	0	0	0	0	0	0
Sears	***	***	***	23	32	138	138	56	0	0	0	0
MasterCard	***	***	***	49	49	49	49	131	187	187	187	187
Visa	***	***	***	73	73	73	73	73	73	73	73	73
Discover	***	***	***	27	27	27	27	27	27	27	27	27
Auto Loan	***	***	***	315	315	315	315	315	315	315	315	315

### 2007 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>
MasterCard	187	187	187	187	144	0	0	0	0	0	0	0
Visa	73	73	73	73	116	260	260	260	260	260	260	183
Discover	27	27	27	27	27	27	27	27	27	27	27	291
Auto Loan	315	315	315	315	315	315	315	315	315	315	315	128

### 2008 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	602	74	***	***	***	***	***	***	***	***	***	***

## Monthly Balance Report

**2006 Balances**

<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>
Radio Shack	***	***	***	104	0	0	0	0	0	0	0	0
Sears	***	***	***	348	322	190	55	0	0	0	0	0
MasterCard	***	***	***	1,684	1,663	1,641	1,619	1,515	1,353	1,188	1,021	851
Visa	***	***	***	2,299	2,256	2,213	2,170	2,125	2,081	2,035	1,989	1,943
Discover	***	***	***	1,236	1,223	1,209	1,195	1,181	1,166	1,152	1,137	1,123
Auto Loan	***	***	***	5,581	5,317	5,050	4,781	4,509	4,235	3,959	3,680	3,398
<b>Remaining Balance</b>				<b>11,252</b>	<b>10,781</b>	<b>10,303</b>	<b>9,820</b>	<b>9,330</b>	<b>8,835</b>	<b>8,334</b>	<b>7,827</b>	<b>7,315</b>

**2007 Balances**

<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>
MasterCard	678	502	323	142	0	0	0	0	0	0	0	0
Visa	1,895	1,847	1,799	1,750	1,657	1,419	1,178	933	686	435	181	0
Discover	1,108	1,093	1,077	1,062	1,046	1,031	1,015	999	982	966	949	668
Auto Loan	3,114	2,827	2,538	2,246	1,951	1,654	1,354	1,052	746	438	127	0
<b>Remaining Balance</b>	<b>6,795</b>	<b>6,269</b>	<b>5,737</b>	<b>5,200</b>	<b>4,654</b>	<b>4,104</b>	<b>3,547</b>	<b>2,984</b>	<b>2,414</b>	<b>1,839</b>	<b>1,257</b>	<b>668</b>

**2008 Balances**

<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	73	0	***	***	***	***	***	***	***	***	***	***

Since 1991 we have helped thousands of people just like you, get out of debt. Our debt reduction software will build you a **step-by-step plan** for getting yourself out of debt. Best of all, you do it yourself in the privacy and comfort of your own home.

Our debt reduction software is powerful. It's **easy** to use. Just fill in the blanks and push a button.

This tool takes into account all of the details surrounding your debts, interest rates, current payments, outstanding balances, etc... and quickly and easily turns it all into a **month-by-month** detailed debt elimination plan.

You'll know exactly when you can have that debt-free party, and you will have all the help and motivation you need - when you see the balance of your debts shrinking in months not years. With just the click of the mouse you can print your month-by-month payment and balance schedules and be on your way to financial security.

For more information or to download a free trial of our software visit our web site:

<http://www.zilchworks.com/>