



# The Debt Eliminator

Name:

Date:

Taking on debt is often necessary but, often, it could have been avoided. In all cases, there are lessons to be learned and we would encourage you to make the most of this debt-repayment experience! This exercise is mainly meant to pay down credit cards and other non-mortgage loans. Post the worksheet on your fridge or on your bulletin board.

1. List all your debts in the first column. Think about each one. Was the debt for something you really needed? Could you have waited until you had saved the money? Was it worth the money and interest you signed up for?
2. Next, from your most recent statement, record the balances, interest rate they are extorting from you and the minimum payment required each month.
3. Using our Cash Flow Calculator, set up a budget to give you a healthy surplus each month which we will use to rapidly pay down your debts. You can access our Cash Flow Calculator at <https://wealthsmart.ca/calculators>.
4. Beginning with the highest interest rate debt, use the surplus generated with our Cash Flow Calculator and write down a higher monthly payment in the 5<sup>th</sup> column. Increase your payment accordingly with the lender.
5. When the loan is paid off, write down the date you paid it off and celebrate! If necessary, arrange to formally close the loan with the lender to improve your credit score.
6. Repeat for all remaining debts. Use the extra cash flow saved from paying off the previous loan to apply an even higher monthly payment to the next debt. Your progress will be truly exponential!

Debt	Balance	Interest Rate %	Minimum Payment	New Monthly Payment	Date Paid off