

Debt Payoff Planner

Directions

Welcome to the Debt Payoff Planner, your step-by-step guide to becoming debt-free with intention and clarity. Whether you're tackling credit cards, student loans, or personal loans, this tool helps you take control of your payments, minimize interest, and build momentum toward your financial goals.

How to Use This Tool:

1. List Your Debts
2. Choose Debts to Payoff
3. Determine Extra Payments Amount
4. Pick a Payoff Method
5. Calculate Savings
6. Rinse and Repeat

By following these steps, you'll build peace of mind, reduce financial stress, and gain the confidence to tackle life's challenges.

Step 1: List Your Debts

List out all your debts: the balance, the interest rate, and the minimum payment.

Example:

Name	Balance	Interest Rate	Minimum Payment
Credit Card - ABC Bank	\$3,200	24.99%	\$98.67
Auto Loan - VW Beetle	\$9,800	6.75%	\$253.94
Federal Student Loan	\$18,500	4.45%	\$206.80
Personal Loan – LendingClub	\$5,400	13.25%	\$123.56
Mortgage - ABC Bank	\$245,000	3.25%	\$1,305.62

Step 2: Choose Debts to Payoff

When taking out debt, it should meet the following criteria:

- Minimal: the smallest amount possible i.e. avoid overspending
- Functionable: it should solve a tangible problem i.e. function over fashion
- Affordable: you have the ability to make the payment now and into the foreseeable future

Any debts that do not meet these criteria should be a prime candidate for early payoff.

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Note: Mortgage has been removed from the list

Step 3: Determine Extra Payment Amount

Take a look at your budget to identify how much spare money per month you can contribute to your payoff plan. Look at what expenses you can temporarily cut back on such as going out to eat and subscriptions. Additionally, identify spare assets you could contribute as a one time lump sum payment towards your debt. This would include things like money in savings all the way up to selling a car, paying off your car loan, and buying a smaller car with the leftover money.

Example:

Extra One Time Payment: \$1,500

Extra Monthly Payment: \$200

Step 4: Pick a Payoff Method

Now it's time to select your debt payoff method. The two options are:

- **Snowball:** List debts from smallest to largest balance in order to build psychological momentum
- **Avalanche:** List debts from highest to lowest interest rate in order to pay off debt as fast as possible

Example:

Payoff Method: Snowball

Step 5: Calculate Savings

Calculate how much time and money you will save by entering all of your data into our [Debt Payoff Calculator](#).

Example:

	Original	Projected	Savings
Interest Paid	\$5,600	\$4,000	\$1,600
Time Spent	60 Months	43 Months	17 Months

Step 6: Rinse and Repeat

Periodically revisit your plan and adjust as your life changes.