

Title:

3-Step Formula to Get Out Of Debt

Word Count:

225

Summary:

Make a list of your credit card debts and other loans. Prioritize it according to the highest interest rate debt. Pay off highest interest rate credit card debt first. Start a frugal living.

Keywords:

Debt, Credit Card Debt, Personal Finance

Article Body:

1-Make List of Your Debts

First of all know how much deep you are in credit card debt. Many credit card holders are shocked when they know the total credit card debt to be paid. They unconsciously stay away from compiling this list. But you will have to know your total debts. List down lender name, date of debt, total amount to be paid and interest rate. Arrange list according to interest rate. Highest interest rate credit card debts should be shown first.

2-Pay Credit Card with Highest Interest Rate

Now start paying highest rate credit card first. Always pay more than minimum amount. If you are addicted to minimum payment traps then you will never be out of debt for whole of your life. Banks have arranged minimum debt trap in such way that a loan could take many years to be paid off if you are just paying in minimum amounts. Always pay more than minimum. These small extra payments will save you literally thousand dollars.

3-Start Frugal Living

For as long as you are in debt, start frugal living. Cut off your credit cards. Ask companies to not offer you more credit cards. Discard impulsive buying. Try to save every penny if possible. These few dollars added to minimum payment amounts will create a snow-ball effect towards your credit card debt payments.