

PowerPay Your Debt

	Balance	Payment*	Payment	Payment	Payment	Payment
Card 1	3,500.00	70.00	70.00	70.00	70.00	210.00
Card 2	2,500.00	50.00	50.00	50.00	140.00	
Card 3	900.00	18.00	18.00	90.00		
Card 4	600.00	12.00	72.00			
Total:	\$7,500	150.00	210.00	210.00	210.00	210.00
	Extra payment	60.00				
		210.00	9 mo	20 mo	38 mo	52 mo
			Card 1	Card 2	Card 3	Card 4

Pay down your debt faster with PowerPay!

First, complete a budget and find somewhere to save. Everyone will have their own way to save. Maybe it's on coffee. Maybe it's going out to lunch every-day. Or, maybe it's that mid-afternoon snack. Whatever your splurge is, find a way that you can still enjoy it, but are saving it along the way. For example, instead of buying the soda from the convenient store, purchase a case of soda when it's on sale at the grocery store. This can save anywhere from \$40-\$60 per month (if consumed daily!).

Next, apply that monthly savings to one of your loan balances. Some people like to apply it to the loan with the highest interest rate; some like to apply it to the loan with the highest loan balance. In the example above, we applied an extra \$60 every month to the credit card with the lowest balance (card #4). After nine months, that card was 100% paid off. Then, we took the payment we were making on card #4 (\$72) and applied it to card #3 payment (\$18) to make a new monthly payment of \$90. We used this strategy until all credit cards were paid off. After 52 months, all credit card balances were 100% paid off!

Here's the breakdown:

- By paying \$60 extra each month, all cards were paid off in 52 months = \$10,920 (\$3,420 interest) If the minimum payment would have continued, after 52 months you would have paid \$6,930 (\$5,206 interest). AND, after 52 months, you'd still have a balance of \$5,776.00!



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* Assuming a payment of 2% of the credit card balance, adding no additional debt.