

Calculating Your Debt Payoff

- A. Your Accelerator Margin** \$ _____
Try for 10 percent or more of your monthly take-home income:
- B. Write down each debt name in the first column below**, its total balance in column 2, its minimum monthly payment (excluding tax, insurance, or any amount you might typically add to it) in column 3.
- C. Divide the total balance of each debt by its monthly payment**, and put the answer in column 4.
- D. Prioritize your debts in column 5**, beginning with the debt with the lowest division answer in column 4 as priority debt #1, the next lowest division answer as priority debt #2, and so on.
- E. Column 6 is where you add your Accelerator Margin** (from A. above) to the monthly payment amount for priority debt #1 and put this total to the right under **Accelerated Monthly Payment**. Now divide debt #1's **Total Balance** by this **Accelerated Monthly Payment**. The answer goes in column 7.
- F. When debt #1 is paid off**, take its **Accelerated Monthly Payment** (which contains the original Accelerator Margin and debt #1's monthly payment) and add this amount to the monthly payment of debt #2. Put the total in column 6 as debt #2's **Accelerated Monthly Payment**
- G. Continue adding each paid-off debt's Accelerated Monthly Payment** to the monthly payment of the next priority debt to accelerate its payoff – until you've eliminated all your debts.

Name of Debt	Total Balance	Minimum Monthly Payment	Division Answer	Payoff Priority	Accelerated Monthly Payment	Months to Pay Off
1	2	3	4	5	6	7
Totals:						

Years to debt-freedom (divide column 7 total by 12): _____