

# DIRECTIONS FOR THE DEBT Snowball

**You've got your emergency fund taken care of. Now it's time to dump the debt!**

The Debt Snowball form will help you get some quick wins and develop some serious momentum! You'll make minimum payments on all of your debts except for the smallest one. Then, attack that one with gazelle intensity! Throw every dollar at it that you can!

## 1 LIST YOUR DEBTS FROM SMALLEST TO LARGEST.

Don't be concerned with interest rates, unless two debts have a similar payoff balance. In that case, list the one with the higher interest rate first.

DEBTS	TOTAL PAYOFF
Diagnostic	\$50
Hospital Bill	\$460
Home Depot	\$770

## 2 ATTACK SMALLEST DEBT WITH A VENGEANCE!

Attack that smallest debt by paying as much on it as you possibly can. Once you pay off a debt, take what you were paying on that one and add it to the minimum payment of the next debt. As the snowball rolls over, it picks up more cash. Get it?

MIN. PAYMENT	NEW PAYMENT
<del>\$10</del>	<del>\$10</del>
<del>\$38</del>	+ <del>\$48</del>
\$45 ✓	= \$93

## 3 REPEAT THIS METHOD AS YOU PLOW YOUR WAY THROUGH DEBT.

Every time you pay off a debt, cross the debt off. This will show you how close you're getting to becoming debt-free!

DEBTS	
<del>Hospital Bill</del>	I'M DEBT-FREE!!!
<del>Home Depot</del>	
<del>Chase VISA</del>	
<del>Car Loan</del>	



