## Debt Snowball

List debt in order from smallest to largest (smallest payoff or balance first), excluding home mortgage. Paying off little debts first gives positive feedback of a "quick win," to encourage you to stick with it. If two debts have similar payoffs, write the one first that has the higher interest rate.

Write the Total Payoff amount for each debt (this will increase each month with interest).
Remember Date Due, to avoid penalties and interest for late payment. Avoid adding more debt-is that extra purchase worth being in bondage?

Pay at least the Minimum Payment on each one monthly.
Pay as much as you can on the first debt on the list, to knock it out as soon as possible. After paying off that one, roll that payment amount into the next debt to see them disappear faster, as a snowball rolling downhill.

Consider debt refinancing to replace high interest loans with lower interest.
 Contact lenders to negotiate payment, show them you have a repayment plan, and ask if they will write off any of the debt. Don't be intimidated by debt collectors. Just show them you have a plan to pay it off. COUNT DOWN TO FREEDOM!

Date: $\qquad$


