

DEBT SNOWBALL

Date

HOW DOES THE DEBT SNOWBALL WORK?

Step 1

List every debt and each minimum payment in order from smallest payoff balance to largest balance.

Step 2

Pay as much as possible on the debt with the lowest balance. Repeat every month until the smallest debt is paid in full. Make minimum payments on all other debts.

DEBT SNOWBALL (EXAMPLE 1A)

Debt	Balance	Minimum Payment	Extra Payment	Total Payment
Sears Credit Card	\$351.00	\$25.00	\$65.00	\$90.00
Car Loan	\$7,850.00	\$297.00	\$0.00	\$297.00
Student Loan	\$17,255.00	\$109.00	\$0.00	\$109.00

Step 3

Once the smallest debt is paid off, add its minimum and extra payments to the minimum payment of the next smallest debt. Repeat this cycle until all debts are paid in full.

YOU ARE DEBT FREE ONCE YOU REACH THE END OF THE LIST AND ALL DEBTS ARE PAID IN FULL!

DEBT SNOWBALL (EXAMPLE 2A)

Debt	Balance	Minimum Payment	Extra Payment	Total Payment
Sears Credit Card	\$0.00	\$25.00	\$65.00	\$90.00
Car Loan	\$7,850.00	\$297.00	\$90.00	\$387.00
Student Loan	\$17,255.00	\$109.00	\$0.00	\$109.00

DEBT SNOWBALL

Debt	Balance	Minimum Payment	Extra Payment	Total Payment