

DEALING WITH DEBT:

6-STEP PAYMENT PLAN

MAKE A LIST OF YOUR DEBTS

Include all debt from credit cards, personal loans, student loans, and your mortgage.

RANK YOUR DEBTS

Rank your debts from the highest to the lowest interest rate. Another strategy is to rank debts from smallest to largest since this can help get the momentum going.

FIND EXTRA MONEY TO PAY YOUR DEBTS

You may need to cut back on your spending so that you have the money to put towards your debt payment plan. You may also decide to take on a part-time job or sell items.

PAY OFF THE FIRST DEBT ON YOUR LIST.

Focus on one debt at a time. Pay extra money toward the first debt on your list, while paying the minimum on all other payments.

MOVE TO THE NEXT DEBT ON YOUR LIST

Once you've paid off your first debt, move to next debt on your list, paying the extra plus the current minimum payment. Do this until you've crossed all items off of your list.

BUILD UP YOUR SAVINGS

A solid budget and emergency fund or savings account are the best tools to take control of your finances and avoid debt in the future.