

Money Management™

Debts

Debts Summary

The Debts tool will help you prioritize your debt and pay it down faster, so you can save big on the money you would otherwise spend on interest.

First, Debts pulls in each of your liability accounts – credit cards, loans, mortgage and any other lines of credit.

Debts needs the balance, APR, minimum payment on each of your accounts, so you may need to enter that information if it was not imported automatically. To edit this information, select the account, and edit as needed. Note the “Exclude from Chart” option. This removes the debt from the main debt chart and is most useful for debts that you pay in full each month.

Back on the main Debts page, note that the colors in the chart match the colors of each account in the table. You can change the priority order of the accounts – we’ll talk about that in a moment.

With this information, Debts can calculate when each debt will be paid off. The dotted line shows how long it will take to be completely out of debt if you simply keep making minimum payments on each account.

But – that’s not going to get you out of debt very quickly. So, Debts applies what’s called the Debt Snowball Strategy to show you an accelerated payoff timeline. This works by taking the amount you were paying towards your first priority debt and rolling it over onto the next debt as an extra payment. Continue doing this, rolling over your payments, until all your debts have been repaid, and you can save thousands on interest – without the need for big budget cuts or painful sacrifices in your quality of life.

There are different ways you can sort your accounts. The default is fastest payoff first – here you see you’d save over \$12,000 and pay off your debts 4 years and 7 months more quickly than if you didn’t roll over payments as you paid off each debt. But let’s say you want to pay off the smallest amount first. Selecting this re-orders my priorities, and you see you’d save over \$18,000 and pay off your debts 4 years and 9 months more quickly.

If you can afford to pay more than your minimums, select next to “Total Monthly Paydown” and enter a dollar amount next to “Extra Payment Towards Debt.”

If you’re not sure how much you can afford to pay beyond the minimum amount required, use the Budgets tool to see how much you should have left over each month!

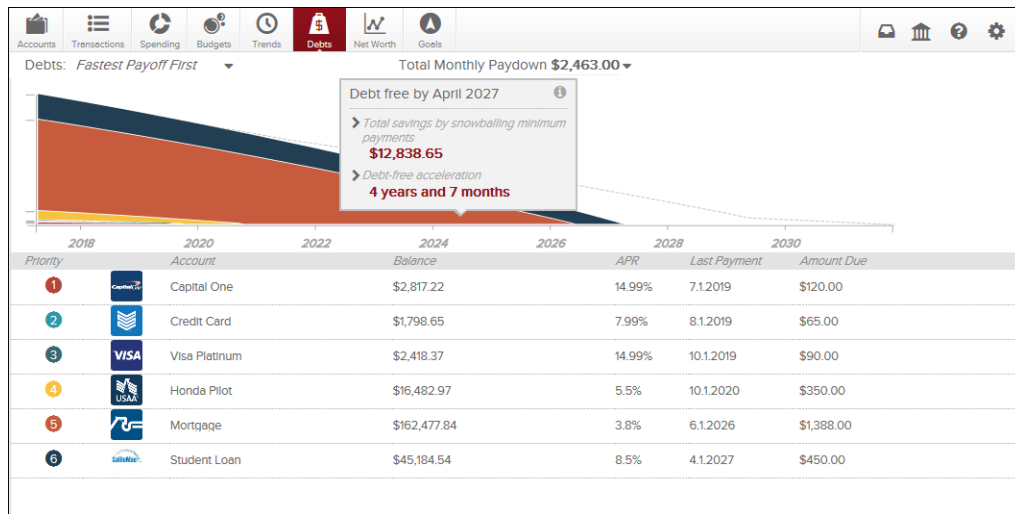
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Debts FAQs

Overview

- Click Fastest Payoff First to see how various payoff methods will affect your debt timeline.
- Total Monthly Paydown lets you see how adding money to your monthly payment will get you out of debt faster.
- Each color in the chart corresponds with the color in the list.
- Click a debt in the list to edit it.



Edit a Debt

- Exclude From Chart removes the debt from the main debt chart. This is most useful for debts that you pay in full each month.
- Click to edit Minimum Payment, Annual Percentage Rate (APR), and the date the payment is due. The APR and minimum payment information comes through on some account types but not all.

