DEBT SNOWBALL

Steps for using the Debt Snowball method.
1. List all debts from the smallest balance owed to the largest
2. Pay the minimum payment on all debts except for the smallest one
3. Pay as much as you can on the smallest debt!
4. When the smallest debt is paid, take the monthly payment you were making on that debt and add it to the monthly payment you were making on the second smallest debt.
5. Continue this process with a vengeance until you are DEBT FREE!!!

You can fill in and print out your own Debt Freedom Date Calculation by visiting www.JOESANGL.com   Click on "TOOLS".

Debt Snowball Example

Debt Name	Balance	Monthly Payment
Doctor 2	320	50
Doctor 1	685	50
Hospital	1,300	50
Furniture	2,400	75
Car	5,000	140
Credit Card 1	6,000	160
Credit Card 2	7,500	115
TOTAL	23,205	640
Months Until Debt Freedom!	**36.3**	

A person has $23,205 in debt with $640 going out in monthly payments. The calculated Debt Freedom Date is 36.3 months.

Debt Name	Balance	Monthly Payment
Doctor 2	PAID	OFF!
Doctor 1	365	100
Hospital	980	50
Furniture	1,920	75
Car	4,104	140
Credit Card 1	4,976	160
Credit Card 2	6,764	115
TOTAL	19,109	640

After 6.4 months, "Doctor 2" is paid off!

The $50 payment that was going to "Doctor 2" is added to the "Doctor 1" payment.

Now "Doctor 1" will receive $100/month.

Debt Name	Balance	Monthly Payment
Doctor 2	PAID	OFF!
Doctor 1	PAID	OFF!
Hospital	798	150
Furniture	1,646	75
Car	3,593	140
Credit Card 1	4,392	160
Credit Card 2	6,344	115
TOTAL	16,773	640

After 10.0 months, "Doctor 1" is paid off!

The $100 payment that was going to "Doctor 1" is added to the "Hospital" payment.

Now "Hospital" will receive $150/month.

Debt Name	Balance	Monthly Payment
Doctor 2	PAID	OFF!
Doctor 1	PAID	OFF!
Hospital	PAID	OFF!
Furniture	1,248	225
Car	2,849	140
Credit Card 1	3,541	160
Credit Card 2	5,733	115
TOTAL	13,370	640

After 15.4 months, "Hospital" is paid off!

The $150 payment that was going to "Hospital" is added to the "Furniture" payment.

Now "Furniture" will receive $225/month.

Debt Name	Balance	Monthly Payment
Doctor 2	PAID	OFF!
Doctor 1	PAID	OFF!
Hospital	PAID	OFF!
Furniture	PAID	OFF!
Car	2,072	365
Credit Card 1	2,654	160
Credit Card 2	5,095	115
TOTAL	9,822	640

After 20.9 months, "Furniture" is paid off!

The $225 payment that was going to "Furniture" is added to the "Car" payment.

Now "Car" will receive $365/month.

Debt Name	Balance	Monthly Payment
Doctor 2	PAID	OFF!
Doctor 1	PAID	OFF!
Hospital	PAID	OFF!
Furniture	PAID	OFF!
Car	PAID	OFF!
Credit Card 1	1,746	525
Credit Card 2	4,442	115
TOTAL	6,188	640

After 26.6 months, "Car" is paid off!

The $365 payment that was going to "Car" is added to the "Credit Card 1" payment.

Now "Credit Card 1" will receive $525/month.

Debt Name	Balance	Monthly Payment
Doctor 2	PAID	OFF!
Doctor 1	PAID	OFF!
Hospital	PAID	OFF!
Furniture	PAID	OFF!
Car	PAID	OFF!
Credit Card 1	PAID	OFF!
Credit Card 2	4,060	640
TOTAL	4,060	640

After 30 months, "Credit Card 1" is paid off!

The $525 payment that was going to "Credit Card 1" is added to the "Credit Card 2" payment.

Now "Credit Card 2" will receive $640/month.

Debt Name	Balance	Monthly Payment
Doctor 2	PAID	OFF!
Doctor 1	PAID	OFF!
Hospital	PAID	OFF!
Furniture	PAID	OFF!
Car	PAID	OFF!
Credit Card 1	PAID	OFF!
Credit Card 2	PAID	OFF!
TOTAL	0	640

After 36.3 months, DEBT FREEDOM!!!

Now "YOU" will receive $640/month!!!

AWESOME!!!!