

Set Dates and Organize Your Pay-Off Schedule

You're in the final lap! You've faced your balances, organized your debts from highest to lowest interest rate. And you've called a few of your lenders to discuss lowering your interest rate. You rock! It's time to kick your debt-payoff plan into high gear.

1. Take out your *Get to Know Your Debt* worksheet.

We're going to fill out the final two columns.

2. Pick a timeframe during which you'd like to have each debt paid off.

Record that in the next-to-last column. Generally, you'll want to start by paying off the card with the highest rate first, and then the next highest, and so on. (After all, the higher the interest rate, the less of your monthly payment goes to paying down your balance.)

However, if you want a quick boost, go ahead and pay off a card with a low balance, just to have one paid-off card under your belt.

3. In the last column determine your monthly debt payment amount.

(It's a rough number because we're not including the interest you're accruing on your remaining balance.) Simply do that by dividing the total amount you owe by the number of months you wrote in the previous column.

4. Begin blitzing your first debt with everything you've got.

Got a tax refund? Send it to card No. 1. A few extra bucks from brown-bagging your lunch? Mail it off. Concentrate all your extra dollars on one single debt until it withers to nothing. Obviously, you want to pay the minimum amounts (on time!) on the rest of your cards during this blitz.

5. Lather, rinse, repeat.

Move on to the next target on your list. (Yes, it's that simple.)

6. Keep your eye on the dealers.

As you stick to your plan, be sure to monitor the terms of all of your debts on a regular basis. Lenders are quite fond of changing the rules (interest rates, grace periods, due dates) on a whim. You don't want to get caught off guard.