

# INSTRUCTIONS FOR USING SUMMARY OF DEBT TOOL

## Overview:

Understanding the overall scope of your debt can be a useful tool in creating a strategy for reducing both the amount of debt, as well as the amount you pay towards debt on a monthly basis. One of the goals of this tool is to help you identify all the debt that you have, and how much you pay for each debt. If you have debts with high interest rates, you can look at refinancing them. This tool will help you identify those opportunities.

## Directions:

- Complete basic information: In order to refer to this form in the future and have it be useful, write down the date this form is completed in the “as of” line.
- Collect information on all outstanding debt: You should have information on all of your debts in order to complete this form successfully. Every debt should be listed so that it gives you an accurate overview of your debt summary. It is important that you have the following data for every debt: financial institution or debtor, interest rate, amount owed, and minimum payment. All of these should be accessible from debt statements.
- Complete the form: Once you have all the information for each debt, fill out the form, using one line per debt. Be sure to include all information.
- Calculate total debt: Add the total amount owed columns together and write that number in the Total Amount Owed line at the bottom. This is the total amount of debt that you owe.
- Look for opportunities to decrease interest payments: Some debts may have high interest rates that can be refinanced. Generally, credit card interest rates, for example, that are above 15% are ones that you are paying too much for. Using a highlighter, highlight those credit cards and other debts that you are paying more than 15% interest on. Add up the total amount owed on those credit cards.

## Find ways to decrease debt and/or interest rates:

Now that you know which debts you are paying too much for, look for ways to refinance or lower these debts. Some good options are consolidating debts into one loan and/or credit card, doing a credit card balance transfer for a lower interest rate, etc.



# SUMMARY OF DEBT

AS OF: \_\_\_\_\_

<b>NAME:</b>			
<b>FINANCIAL INSTITUTION/DEBTOR</b>	<b>INTEREST RATE</b>	<b>AMOUNT OWED</b>	<b>MINIMUM PAYMENT</b>
<b>TOTAL AMOUNT OWED</b>			