

COPPER STATE CREDIT UNION

Debt Deletion Worksheet



To begin Debt Deletion, you'll need to:

1. Gather all loan info – statements or similar that include outstanding balance, minimum payment, and APR (rate)
2. Determine your “Debt Directed Dollars” or “DDD” number.

Debt Directed Dollars – the maximum amount of money you are able to pay towards debt, in any given month, without neglecting bills or savings, and without creating new debt anywhere else.

Find this number by looking at your current loan payments and other expenses/spending/savings, compared with your income. Use our free [budgeting spreadsheet](#) and [eBook](#) to make it easier.

3. Choose a method. (See below options)



Option A: Fixed Payment Method

Pay a set amount toward each loan every month, instead of the *minimum payment due* amount.

Example

Credit card minimum payment this month is \$56.60. Based on your DDD amount, you decide to pay exactly \$60 per month going forward, no matter what the minimum payment due is. Continue this process for all debts.



Option B: Payment Roll Up Method

Choose one focus debt. All other debts get a minimum payment while your focus debt gets the remaining DDD available. When focus debt is paid off, transfer that payment amount to your next focus debt.

Example

Debt Directed Dollars available monthly = \$200

Focus Debt: \$300 balance, make payment of \$125 (all DDD minus minimums on other debts)

Other Debt: \$500 balance, make minimum payment only = \$25

Other Debt: \$1,000 balance, make minimum payment only = \$50

Focus debt is repaid in less than three months. Then, the \$125 payment amount previously allocated to the focus debt is now added on to the monthly payment for the next debt.





Option A: Fixed Payment Method



Complete Debt Inventory

1. Write your Debt Directed Dollars.
2. List each debt by name.
3. Write an approximate balance for each.
4. Note Annual Percentage Rate. You can find this info on your statement for each debt.
5. Take a look at last month's minimum payment amount and write it in column 5.
6. Round the minimum payment number up a bit, and put that amount in column 6.

My Debt Inventory

1 My Debt Directed Dollars Available Monthly = _____

2	3	4	5	6
Debt Name	Balance	APR	Minimum Payment from previous month	Future Fixed Payment (Round Up)
Credit Card	\$2,500	21%	\$71.00	\$80
1 Debt Directed Dollars Available	<input type="text"/>		7 Total Monthly Debt Payments	<input type="text"/>

7. Total your Monthly Debt Payments. Does this number equal your DDD amount?

If **YES** - Great! It's a plan. Adjust each payment to occur automatically, or set reminders to pay manually, for the amounts in column 6.

If **NO** - Let's adjust the numbers up or down, as needed. You'll have to meet your Debt Directed Dollars amount to keep your budget in check.

Resources

Copper State Credit Union has free budgeting resources for you, if you need to update your household budget before tackling debt.

- Use our customizable, downloadable [budget template](#).
- Read through our budgeting eBook for specific explanations and detailed plan for [How to Create a Budget that Works](#).



Option B: Payment Roll Up Method



Complete Debt Inventory

1. List each debt by name.
2. Write an approximate balance for each.
3. Note Annual Percentage Rate. You can find this info on your statement for each debt.
4. Choose a focus debt
 - a. Do you need to see your progress to stay motivated? if this is you, you'll want to make your focus debt the **[lowest balance]** debt in your inventory. Pus a star by it and put a number 1 in the priority column.
 - b. Do you need the numbers to logically make sense to stay motivated? If this is you, you'll want to make sure your focus debt the **[highest interest]** debt in your inventory. Put a star by it and put a number 1 in the priority column.
5. Number the rest of your debts in the order they'll be paid off, following whichever option you choose in step 4.

My Debt Inventory

Priority	Debt Name	Approximate Balance	APR
#1	Credit Card	\$2,500	20%

Make a Plan

- Plan for minimum payments on all debts except focus debt.
- Focus Debt Payment Calculator:

Debt Directed Dollars – all other debts' minimum payments = Focus Debt Monthly Payment

Helpful Tips:

- Make it automatic, if you can. Ensure you're making *minimum* payments only to all other debts. Set up an automatic payment for your Focus Debt as well!
- Get excited about debt payoff! You can calculate how much quicker you'll be paying off debt by entering your info into **PowerPay** by Utah State University. They'll share a calendar that will show your monthly and yearly progress.

Resources

Copper State Credit Union has free budgeting resources for you, if you need to update your household budget before tackling debt.

- Use our customizable, downloadable [budget template](#).
- Read through our budgeting eBook for specific explanations and detailed plan for [How to Create a Budget that Works](#).

copperstatecu.org

This article is intended to be a general resource only and is not intended to be nor does it constitute legal advice. Any recommendations are based on opinion only.



Any product names, logos, brands, and other trademarks or images featured or referred to within the Copper State Credit Union website (copperstatecu.org) and/or on any social media forum are the property of their respective trademark holders. These trademark holders are not affiliated with Copper State Credit Union or its website. These trademark holders do not sponsor or endorse Copper State Credit Union or any of its products or comments. We declare no affiliation, sponsorship, nor any partnerships with any registered trademarks. Copper State Credit Union stands independently as a not-for-profit credit union. Should you have any questions or concerns, please contact Copper State Credit Union at marketinginfo@copperstatecu.org.

Federally Insured by NCUA