

### Example Payoff schedule

Month	c card 3	c card 2	c card 1	car
Jan 2009 – Sep 2011	\$75.00	\$100.00	\$75.00	\$250.00
Oct 2011	\$75.00	\$100.00	\$75.00	\$250.00
Nov 2011	\$99.31	\$100.00	\$75.00	\$225.69
Dec 2011 – Jan 2013	\$325.00	\$100.00	\$75.00	
Feb 2013	\$218.09	\$206.91	\$75.00	
Mar 2013		\$425.00	\$75.00	
Apr 2013		\$425.00	\$75.00	
May 2013		\$425.00	\$75.00	
Jun 2013		\$425.00	\$75.00	
Jul 2013		\$207.63	\$292.37	
Aug 2013			\$500.00	
Sep 2013			\$500.00	
Oct 2013			\$500.00	
Nov 2013			\$500.00	
Dec 2013			\$288.84	
TOTALS	\$7417.40	\$7014.54	\$6631.21	\$8725.69

### **Extra Payment Option Benefit:**

**With the above example, and paying just an extra \$100 per month, you can shorten your total payoff time from 5 years to just 3 years, 11 months and save \$1,865. in interest!**



## Additional Useful Financial Websites

<https://www.annualcreditreport.com/cra/index.jsp>

<http://www.militaryhomefront.dod.mil/>

<http://www.tsp.gov/index.html>

<http://www.militaryonesource.com/skins/MOS/home.aspx>

# PowerPay

<https://powerpay.org/powerpay/index.php>



**For most people, money is usually the greatest concern in life. It's not about being rich; most just want to live a life without having to worry about finances. Paying off debt is normally the first step...**

### About PowerPay

Power payments are part of a technique often suggested by financial experts to help individuals gain control of their debts. The plan is this:

First, make a commitment to stop borrowing or charging until all debts are paid. Second, make POWER payments on current debts. This means that as soon as one debt is totally paid, the monthly payment from that loan is applied to the next debt. Money from paid loans continues to be combined towards other debts until all are paid.

### Where do I start?

The first step in eliminating debts is seeing just how much debt you have. Collect this information from your monthly statements, and log on to the website. For each creditor, list the balance owed; the monthly payments you are making (can't be less than the minimum required), and the annual percentage rate charged by that creditor.

### How do I enter the information?

Simply click in the box you want to type information, or use the tab key to move through the boxes. To edit information, click on the text to change, update, and save by clicking on "Save Creditor Information."

Each time you select "Save Creditor Information," PowerPay calculates payoff time and the payoff schedule that will save you the most money on interest charges.

### What is an extra payment?

Any additional money paid toward debts above the minimum amount. This could be money from a tax return, TDY earnings, or perhaps you've tightened your belt and have decided to pay an extra \$100 toward your debts each month.

### How do I enter extra payments?

Click on the "Extra Payments" tab, and enter the amount, start date, and frequency. Remember to click on "Save Payment Information" in order for the extra payment to reflect in your payment calendar.

### What is the payment calendar?

When you click on "Payment Calendar," you'll see that PowerPay automatically uses the method that saves you the most money. The program will use one of the following methods: highest interest first, lowest balance first, shortest term first, and "as entered." At the bottom of the payment calendar is a detailed month-by-month calendar of payments for each creditor, with an option to download into Excel.

### Example

You have \$15,000.00 in credit card debts and a car you'd like to pay off. Below is the interest rate and minimum payment for each credit card and the car, along with how long it would take to pay off those debts by making only the minimum monthly payment.

Following that are results from making POWER payments on those same debts. The time it takes you to become debt-free is reduced from over 11 years to just 5! Becoming debt-free is within your reach!

### Example

#### Credit Card #1

Balance \$5,000.00    Minimum payment \$75.00

Interest Rate: 9%

Payoff timeline without PowerPay: 7 yr, 9 mo

#### Credit Card #2

Balance \$5,000.00    Minimum Payment \$100.00

Interest Rate: 12.9%

Payoff timeline without PowerPay: 6 yr, 1 mo

#### Credit Card #3

Balance \$5,000.00    Minimum Payment \$75.00

Interest Rate: 14.5%

Payoff timeline without PowerPay: 11 yr, 5 mo

#### Car

Balance \$8,000.00    Minimum Payment: \$250.00

Interest Rate: 5.9%

Payoff timeline without PowerPay: 2 yr, 11 mo

**Enter your information on the PowerPay website to see how you can take charge and become debt-free!**

### ***Without Power Payments***

<u>Creditor</u>	<u># Payments</u>	<u>Total Paid</u>	<u>Interest Paid</u>
Card 1	93	\$6957.46	\$1957.46
Card 2	73	\$7211.63	\$2211.63
Card 3	137	\$10,225.84	\$5225.84
Car	35	\$8725.69	\$725.69

***Payoff: 11 yr, 5 mo***

***Total Paid: \$33,120.62***

***Total Interest: \$10,120.62***

### ***With Power Payments***

<u>Creditor</u>	<u># Payments</u>	<u>Total Paid</u>	<u>Interest Paid</u>
Card 1	60	\$6631.21	\$1631.21
Card 2	55	\$7014.54	\$2014.54
Card 3	50	\$7417.40	\$2417.40
Car	35	\$8725.69	\$725.69

***Payoff: 5 yr***

***Total Paid: \$29,788.84***

***Total Interest: \$6,788.84***

*For a detailed payoff calendar using the above example (PowerPay generates for you), see reverse side*