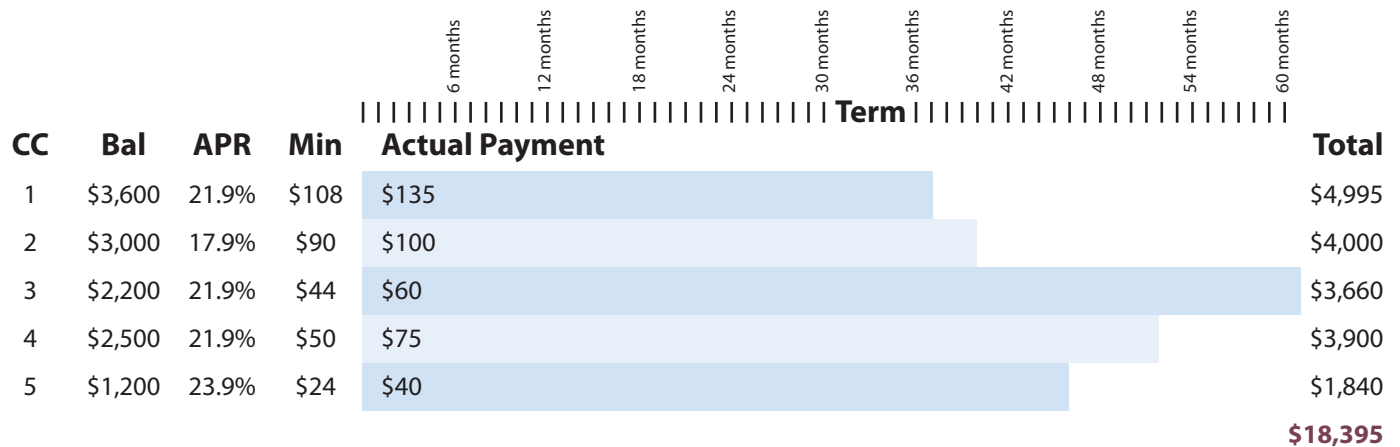


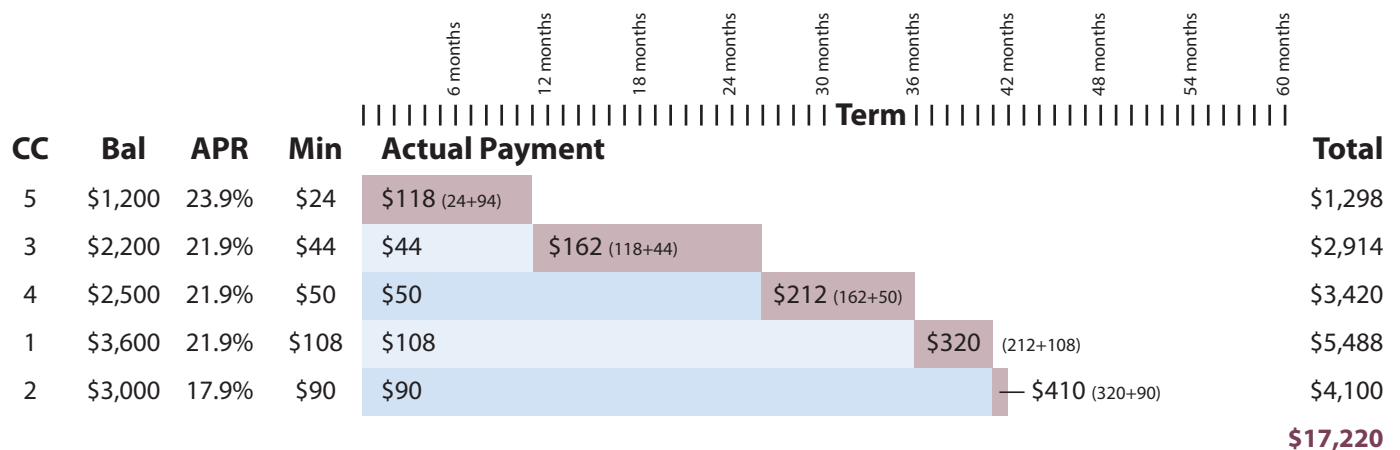
# Payment Pyramid

If you have several credit cards or loans and just enough money to make the minimum required payments, it will take years to pay them off. Making more than the minimum payment is the only way to target and eliminate your debt.

**Example:** A consumer has \$12,500 in credit card bills. Following is a list of credit cards, balances, rates, minimum payments, and actual payments the consumer is making.



Consumer pays \$94 extra each month, but is not using this amount to his best advantage. By pyramiding the payments, the member can pay off his balances sooner.



## Benefits

**Payoff Time:** You can pay off all debt in 42 months without increasing monthly payments. It will take only five months longer than it would have taken to payoff the first credit card. Member saves \$1,175 in interest and possibly 19 months of debt payments.

**Ability to Increase Payment Amounts:** Although payoff period is 42 months, it could be shortened if monthly payment amounts are increased.

**Rapid Debt Reduction:** Rapid reduction in debt can serve as a motivator to stay with the plan. You can pay off three credit cards in the same time frame as one with a balance of \$7,632.

**Improve Your Credit:** As balances are reduced, you may be able to qualify for a bill consolidation loan and possibly further reduce the amount of interest paid and time to liquidate all debt.