

Debt interest destroys your ability to build wealth

by taking your hard-earned money and sending it to where you got the debt from.

HOW DOES PAYING EXTRA EACH MONTH AFFECT MY DEBT PAYOFF?

Here are a few scenarios to show you the power of paying extra toward loan principal. Let's use in this example a couple whose lifestyle includes \$4500/mo. net income, 2 credit cards (\$8,000 total card debt), 1 auto loan (\$16,000 72-mo.), 1 checking and 1 savings account, and \$150 discretionary income (\$ usually left over at the end of each month after all the bills and living life expenditures are paid for):

\$100,000 mortgage – 30 year term with a fixed rate of 6% (not including escrow)

Total interest to be paid: \$115,838. Total paid for the home: \$215,838.

** I have to share this from the amortization schedule. Everyone with a mortgage is on one. Look at that interest payment amount. Years and years of paying mostly interest. It is not necessary.*

| Month | Year | Payment | Principal paid | Interest paid | Total | Balance |
|-------|------|----------|----------------|-----------------|-------------|-------------|
| Jan. | 2010 | \$599.55 | \$99.55 | \$500.00 | \$500.00 | \$99,900.45 |
| Feb. | 2010 | \$599.55 | \$100.05 | \$499.50 | \$999.50 | \$99,800.40 |
| Mar. | 2010 | \$599.55 | \$100.55 | \$499.00 | \$1,498.50 | \$99,699.85 |
| Jan. | 2017 | \$599.55 | \$151.35 | \$448.20 | \$40,449.83 | \$89,488.03 |
| Feb. | 2017 | \$599.55 | \$152.11 | \$447.44 | \$40,897.27 | \$89,335.92 |
| Mar. | 2017 | \$599.55 | \$152.87 | \$446.68 | \$41,343.95 | \$89,183.05 |

** 15 years into it...*

| | | | | | | |
|------|------|----------|----------|----------|-------------|-------------|
| Jan. | 2025 | \$599.55 | \$244.31 | \$355.24 | \$79,323.18 | \$70,804.54 |
| Feb. | 2025 | \$599.55 | \$245.53 | \$354.02 | \$79,677.21 | \$70,559.01 |
| Mar. | 2025 | \$599.55 | \$246.76 | \$352.80 | \$80,030.00 | \$70,312.25 |

** not until 18-1/2 years into it before principle payment catches up to interest payment*

| | | | | | | |
|------|------|----------|----------|----------|-------------|-------------|
| June | 2028 | \$599.55 | \$299.74 | \$299.81 | \$92,762.79 | \$59,662.57 |
|------|------|----------|----------|----------|-------------|-------------|

PAYING DOWN WITH EXTRA PAYMENTS (if you have the extra \$ in the first place)

1. \$25 extra each month: paid off 3 years early; total interest paid: \$101,899 – saving \$13,939
2. \$50 extra: paid off 5 1/2 years early; total interest paid: \$91,269 – saving \$24,569
3. \$100 extra each month: paid off 9 years early; total interest paid: \$75,938 – saving \$39,900

BUT, HOW DOES USING OUR SYSTEM AFFECT PAYOFF?

Using money you already have in your budget...and including all other types of debt you may have, potentially save much more and reduce the time by as much as 1/3rd to 1/2. "Time is money." Faster payoff = larger savings.

Using the example of the couple above, *they will be saving \$74,434.46* and they have *10.7 years to payoff*, and be *saving 19.4 years*. If (from the 10.7 point) they then were to send the same amount they were putting towards debt into a 5% rate of return investment, **they will have a wealth accumulation of \$529,898.75** by end of year 30.

Let the program make the decision for you on how to pay what, and when. Strategic payoff using an elite program of precision that is so effective it is considered #1 by the experts and considered the one to beat by competitors.

Why settle for less?

Eliminate Debt – Build Wealth



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Set up a realistic budget - Create a financial action plan - Learn to take control of and reduce debt
Find ways to save money every day - Stick to the discipline - Alleviate stress associated with debt