

4

SIMPLE STEPS

To Get You Out Of

DEBT

... no matter how much you owe

There's no sugar coating it: Debt sucks! It causes a lot of extra stress and anguish in one's life.

But if you've got a pile of bills to pay, it's probably not your fault.

Unfortunately, there's no "pay off your loans" class in high school, and the credit card companies certainly aren't there to help you. In fact, they're in business to keep you in debt until you die. Hey, you would too if you could get 18% - 23% compounded interest monthly.

Would you like to beat the credit card companies at their own game?

It is ridiculously simple. Let me prove it to you.

Let's CRUSH that debt together.

Step 1: AWARENESS

How much debt you have? Do you know?

Seems like simple questions.

Guess what, the credit card companies DO NOT want you to know. They even like when you say "yes" to another credit card.

They love it when you blindly send in the minimum payment, thinking you're getting out of debt. The reality is that minimum payments dig your debt hole even deeper.

STEP 1: WRITE DOWN ALL YOUR DEBT!

Put together all your statements and go through your account statements, call the companies, do whatever it takes to find out how much you owe.

Use this tool to help list debts.

| Name | Type | Credit Limit | Total Owing | APR | Monthly Minimum | Phone Number |
|------|------|--------------|-------------|-----|-----------------|--------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Believe it or not, compiling what you owe and what you spend every day is the first step in awareness and being vigilant when it comes to changing your habits.

This was the hardest of all the steps, breaking the all too common habit of “sweeping it under the rug”.

STEP 2: CONTROL

STOP carrying your credit cards around with you. You have probably seen many tricks to stop you from using them. Some have put them in a bowl of water and frozen them, lock them up in a safe or chest, or give them to a family member or friend to hold on to while you go through this step.

DO NOT CUT THEM UP. Believe it or not you need them so you maintain a credit rating. Now it is your time to use the system.

Then keep paying down your balance and watch your credit score go up drastically.

This is the “rehab” portion of the process; gaining control over your behavior. If you are trying to lose weight you remove all temptation from your home by getting rid of the junk food, right? “Out of sight out of mind”!

Now that you have detailed all your debts, list them from highest interest rate to the lowest interest rate. Usually the highest interest rate is your first target. And keep making the minimum payment on the balance of your cards until you pay off the highest first. This is also referred to as the “Snowball” method.

It will be a big balancing act until you get the hang of it but once that card is paid down to zero then move on to the next target. (There is a couple of ways to pay down faster but more on that below)

STEP 3: NEGOTIATION

One of the best skills anyone can develop is the power of negotiation. A skill that takes very little training and you do not need years of training to get instant results. Imagine if you picked up the phone and negotiated \$1000 off your bill in 10 or 20 minutes, would you like that?

Here is the power of negotiation explained and trust me when I say you will want to do this ALL the time.

You get on the phone and you negotiate a lower interest rate or negotiate the balance down by \$1000.

What does that break down to as an hourly rate? Well, if it took you 30 minutes to negotiate that then your ROI would be the equivalent of earning

\$2000 an hour. I am not sure about you but I know there aren't many of those jobs going around.

Ok I think you get the picture and what you need to do next.

How? SIMPLE!

Remember, on your list you wrote down the phone number for the company. This is where you use it.

I promise this will be your favorite part because once you get the first savings, you'll be fired up and start counting your next savings and calculating your new hourly worth.

You: Hi, I have put a plan together to aggressively pay down my debts and I would like to lower my credit card interest rate. Can you help me with this?

C.C. Rep: *Confusion?? Ahhh, what?*

Uh, and they will probably ask you to repeat yourself. (Which is OK because you know if you get a better rate, your hourly worth will go through the roof. You are determined to get the rates down. DO NOT TAKE NO FOR AN ANSWER!)

You will be amazed at how many options credit card companies have to move you around. They certainly can move you up to the full featured cards with higher interest rates and yearly fees easy enough. Now it is your turn to move the needle the other way.

C.C REP: *"Hmmm...After reviewing your account, I'm afraid we can't offer you a lower interest rate."* B.S. there is always something they can do.

You: What options do I have? Can you reduce my current card rate down? I would like to reduce my interest rate 40-50% is that possible? The answer will be no. (Remember, you are not going to take NO for an answer).

You: OK, I wonder if you can help me. (Remember **KEEP** asking for **HELP!** It is subliminal but it is very rare that if you're polite and ask for help people are not going to say no. It is **HOW** you ask, not **WHAT** you ask!).

Can I transfer my balance to another card with less features but with a lower rate? If you cannot get the representative to help ask for you can “escalate” to a manger or the retention department or loyalty department. Keep pushing until you get what you want. Call back every day until you get your interest reduced.

***Hint:** Before you call, look for other credit cards offering promotional programs like zero interest for XX months if you transfer your balance or half the interest rate etc. and use their competitors against them. Find **LEVERAGE** and have a plan “B”. If you do not have a plan “B” don’t corner yourself.*

You: I have been a customer for xx years and want to stay with your company but I have a plan to aggressively pay down my debt.

C.C REP: MAGICALLY ...“I see...OHH, let me pull something up here. The “system” is suddenly letting me offer you a reduced APR. That is effective immediately.” Etc. etc. etc.

A simple conversation, a simple “ask” can save you a lot of money.

Now you can start a new chart of accounts and enter the new APR and payment and start to hammer away at your debt.

NEW with lower interest rates.

| Name | Type | Credit Limit | Total Owing | APR | Monthly Minimum | Phone Number |
|------|------|--------------|-------------|-----|-----------------|--------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Step 4: A 360 APPROACH

This requires a little more negotiation and work. You will go down two avenues to achieve the next step. *“Show me the money”!* Now you need to find extra cash to aggressively pay down the debt.

AVENUE 1

Have a look at all your bills and attack them with no mercy. Not cut back a coffee a day but make it bleed. Phone services, insurance, and any other day to day expense you can cut out until you pay down your debt. Have no mercy CUT, CUT, CUT! Sell items around your home you are no longer using. There is lots of free online services to post items. (Be careful and follow safe selling tips provided. Cash is king no cheques or any other forms of payment) any money you make can go directly to attacking your debt!

AVENUE 2

Earn more money! Look for the low lying fruit first!

- 1) Ask for a raise. The worst that will happen is he says no. However, make sure you are prepared. Explain why you are worth keeping and to be give a raise. Detail you you make the company money or how you saved the company money. You have to present VALUE so do your homework. All the extra money you earn can go directly against the debt.

- 2) Ask to pick up extra shifts

- 3) Pick up a side gig and anything you earn you can put directly towards your debt.

- 4) Or... my favorite since I was 16 is create your own lifestyle and start your own business. Be careful there is a lot of noise about online businesses etc. Again, do your homework and make sure you are not just buying online courses and making someone else rich!

No matter which avenue you choose to pursue, each one will deliver instant results. The trick is to start. Not tomorrow or next week but today. Start today!

GET STARTED NOW AND WIPE OUT DEBT TODAY!