

# making the cut!

## How to get out of the credit card trap

It slowly creeps up on you. One credit card. Two credit cards. A little debt turns into a lot of debt—more than you know what to do with.

If you find that you're only able to make minimum payments and sometimes juggle the debts you'll pay this month with those you'll pay next month, a debt consolidation loan from your Credit Union could be the answer.

We can lump those bills into one debt. We'll pay off your other creditors

and you'll make just one monthly payment—usually for a lower amount. You'll end up with more cash on hand and you'll pay a lot less in finance charges each month, too.

Consolidation loans are great—but there's a trick to making them work for you. Take inventory of the plastic cards in your wallet and "make the cut." Keep only one or two cards with low limits for emergency use.



## try the power payment plan!

Each time you pay off one of your debts, apply the amount of that monthly payment to another debt. Put this "extra money" on the account with the lowest balance to pay it off faster. Then, after that account is paid off, roll the amount of that monthly payment into the next account. We call it a "Power Payment"!



## monthly installment payments

Creditor	Amount	Balance Due
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**WARNING SIGNAL #6**  
**You're delaying trips to the doctor for financial reasons.**

Total Monthly Payment \$ \_\_\_\_\_

Total Installment Debt \$ \_\_\_\_\_