

## Finding Financial Peace: Credit Card Freeze Tag – Multiple Cards

	<u>Card 1</u>	<u>Card 2</u>	<u>Card 3</u>
■ Balance owed	\$4,500	\$3,000	\$5,000
■ Interest rate	18%	12%	6%
■ Minimum payment	Greater of 3% of outstanding balance or \$20		

Description	<u>Minimum Only</u>				<u>Fixed Payment: Pay Highest Rate Card First</u>				<u>Fixed Payment: Pay Off Smallest Balance First</u>			
	Only make the minimum payment each month				Pay minimums on lowest interest rate cards; pay remainder of fixed payment on highest rate card				Pay minimums on highest balance cards; pay remainder of fixed payment on lowest balance card			
Sample Payments:	<u>Card 1</u>	<u>Card 2</u>	<u>Card 3</u>	<u>Total</u>	<u>Card 1</u>	<u>Card 2</u>	<u>Card 3</u>	<u>Total</u>	<u>Card 1</u>	<u>Card 2</u>	<u>Card 3</u>	<u>Total</u>
■ Month 1	135	90	150	375	135	90	150	375	135	90	150	375
■ Month 2	133	88	146	367	141	88	146	375	133	96	146	375
■ Month 3	131	86	143	360	146	86	143	375	131	101	143	375
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■ Month 24	95	57	84	236	234	57	84	375	194	94	84	375
■ Month 25	94	55	82	231	238	55	82	375	293	0	82	375
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■ Month 29	88	51	74	213	184	117	74	375	301	0	74	375
■ Month 30	87	50	72	209	0	303	72	375	303	0	72	375
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■ Month 35	81	45	63	189	0	124	251	375	294	0	81	375
■ Month 36	80	44	62	186	0	0	375	375	0	0	375	375
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■ Month 40	75	41	56	172	0	0	375	375	0	0	375	375
■ Month 41	74	40	54	168	0	0	27	27	0	0	203	203
■ Month 42	73	39	53	165	0	0	0	0	0	0	0	0
■ Months 43 - 173	<b>4,368</b>	<b>1,741</b>	<b>2,003</b>	<b>8,112</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Results:</b>												
■ Payoff time (mos.)	<b>173</b>	116	117		29	35	<b>41</b>		35	24	<b>41</b>	
■ Interest paid	\$4,098	\$1,315	\$931	<u><b>\$6,344</b></u>	\$1,194	\$717	\$616	<u><b>\$2,527</b></u>	\$1,650	\$431	\$622	<u><b>\$2,703</b></u>