

POWERPAY

HELPING DEBTORS
BECOME SAVERS

www.powerpay.org

Credit Match Game

1. When a financial institution lends money and trust that he or she will pay it bank_____	A. Minimum Payment
2. A fee paid for borrowing money_____	B. Finance Charge
3. The charges assessed to the account on the amount borrowed_____	C. Credit Line/ Credit Limit
4. The date payment is due_____	D. Credit
5. The minimum amount a credit card bill that must be paid_____	E. Annual Fee
6. A fee charged once per year for credit card ownership_____	F. Interest
7. The maximum amount of money that can be charged to a credit card_____	G. Due Date

Answers: 1. D 2. F 3. B 4. G 5. A 6. E 7. C

Test Your Credit \$marts

1. True or False. *35% of credit card holders say they hardly ever pay their credit card balance in full.*
2. How many credit cards does the Average American household use? _____
3. What is average credit card balance owed by an American household?
a. \$10,728 b. \$25,987 c. \$3,510 d. \$5,275
4. What is the average credit card balance owed by college undergraduate students (nationally)?

5. What is the average credit card interest rate in the United States? _____

Answers: 1. True 2. 8 3. a 4. \$2,327 5. 18.9%

CONTINUED ON REVERSE SIDE



- As soon as one debt is paid off, you apply the monthly payments from that debt to the next highest interest debt.
- These payments are called *Power Payments*. The total monthly payment is not increased—only the distribution of charges

Enter Creditor Information

Creditor Name	Balance	Payment	% Rate
Chase Auto	7200	264.95	8
Mastercard	11567	195.00	16
Security Bank	3350	75.00	3.8
Lowe's	1250	100.00	9

Payoff Information (Repayment Method: Highest Interest First)

Without Power Payments

Creditor	# of	Total Paid	Int. Paid
Chase Auto	31	\$7970.04	\$770.04
Mastercard	119	\$23039.93	\$11472.92
Security Bank	49	\$3617.69	\$267.69
Lowe's	14	\$1317.51	\$67.51

Payoff Time	9 years 11 months May 2010
Total Paid	\$35,945.17
Total Interest	\$12,578.17

With Power Payments

Creditor Name	# of payments	Total Paid	Int. Paid
Chase Auto	31	\$7970.04	\$770.04
Mastercard	47	\$16725.36	\$5158.36
Security Bank	47	\$3617.34	\$267.34
Lowe's	14	\$1317.51	\$67.51

Payoff Time	3 years 11 months May 2013
Total Paid	\$29,630.25
Total Interest	\$6,263.25

By utilizing Power Payments the payoff time is reduced by **6 years** and amount saved is **\$6,314.92!**