


Debt

Track your debts and how much you owe with this **Debt log**

- List all the debts you have, including who you owe them to. Fill out the table to see your total monthly debt payment.
- Repeat this exercise every few months to track if your debt is growing or shrinking.

Remember, a bill isn't always debt. For instance, your phone bill isn't debt, but any past due amount for that bill is. If you're repaying a loan (like a credit card or mortgage), the entire amount is considered debt and should be included here.

Common debt types to help you brainstorm:

 Autoloan	 Back child support	 Credit card debt	 Friends and family	 Medical debt	 Mortgage or past-due rent	 Past-due Fees and fines	 Payday loan	 Student loan
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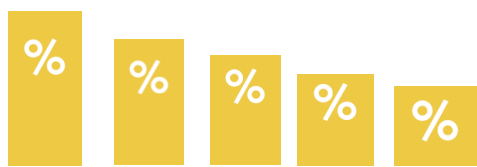
Debt	Payment due this month	Payment is up to date?	Total amount left to pay	Interest rate (if any)	Payoff date or goal

Total monthly debt payment



Start reducing your debt by making a **Debt action plan**

1. Review the pros and cons of each strategy for paying down debt.
2. List your top three debts, sorted based on the strategy you chose—either by smallest total dollar amount or highest interest rate.

	PAY SMALLEST DEBT FIRST 	PAY HIGHEST INTEREST RATE FIRST 																
Description	After you've made all your minimum payments, increase your payment on the smallest debt. After it's paid off, add that extra amount to your minimum payment on the next smallest debt.	After you've made all your minimum payments, increase your payment on the debt that has the highest interest rate. After it's paid off, add that extra amount to your minimum payment on the next highest-rate debt.																
Pro	If you have many small debts, you might see progress quickly by reducing the number of debts you owe.	By paying off the debts that charge you the highest interest and fees first, you save money overall.																
Con	If the interest rate and fees are high on your larger debts and you pay the smaller ones first, you might pay more in total over the length of the debt.	You might not feel like you're making progress very quickly, especially if the first debt is large.																
	<input type="checkbox"/> I'll pay down the smallest debt first, in this order: <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="width: 50%;">DEBT</th> <th style="width: 50%;">AMOUNT</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	DEBT	AMOUNT							<input type="checkbox"/> I'll pay down the debt with the highest interest rate first, in this order: <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="width: 50%;">DEBT</th> <th style="width: 50%;">AMOUNT</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	DEBT	AMOUNT						
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Documents that can help you complete the "Debt log"

If you don't have all the information you need to complete the "Debt log," these documents can help you fill in the blanks. Here's the type of information you can find on each.

CREDIT REPORT

- Your monthly payment amounts
- The balance (the amount you still owe)
- Whether you are up to date or more than 30 days late on payments
- Your status as owner, co-signer, or authorized user (if you're an authorized user on someone else's account, the debt showing on your credit report may be money they've spent that you aren't responsible to pay; only include that amount in this tool if it's money you're responsible for)

CREDIT CARD STATEMENT

- Payment date
- Minimum payment amount
- Interest rate
- Payoff date if you continue to make minimum payments

LOAN OR MORTGAGE AGREEMENT

- Interest rate
- Payment date
- Fees
- Payoff date
- COURT ORDERS a Payment amount • Due date • Any other terms
- BILLING STATEMENTS

COURT ORDERS

- Payment amount
- Due date
- Any other terms

BILLING STATEMENTS

- Past-due amounts
- Late fees





You can be prepared to ask questions **When debt collectors call**

1. If you're contacted by a debt collector, ask them these questions and write down their answers.
2. To request more information about the debt, fill out and send the first template to the debt collector. Don't forget to check the boxes next to the information you're requesting.
3. If the debt isn't yours, fill out and send the second template to dispute the debt.

Be cautious and keep records.

- You don't have to share private information (like bank accounts) no matter what debt collectors say.
- Write down all dates, times, and detailed notes of what's said for each call.
- Save everything debt collectors send and make copies of anything before you send it (don't send originals).

WHAT TO SAY TO A DEBT COLLECTOR

NOTES

What is your (the debt collector's) name and address?

What is the original creditor's name and address?

What is the account number?

What is the amount owed?

What date did the account become delinquent?

What date did you (the debt collector) obtain the debt?

What was the amount of debt when you (the debt collector) obtained it?

On what date will the debt's statute of limitations (the time you can no longer be sued for the debt) expire?

If you don't believe you owe the debt or you already paid it:

Please provide documentation proving I'm required to pay.

Please provide me with a copy of the last bill.



Resolve issues with debt collectors

If the debt is not legitimate (if it's not yours or you already paid it), don't delay in disputing it.

Use the second letter template to send the debt collector a letter disputing the debt immediately. You may lose your ability to dispute the debt if you wait.

If the claim is legitimate, don't despair.

- At least now you know what you're dealing with. You still have options, depending on your financial situation and what you want to do with the debt. Negotiate a payment plan that will give you more time to pay down your debt.
- Pay the debt in full and move on.
- Try to settle with the debt collector on a total amount of what you're willing to pay that will fully resolve the account. You can do this yourself by contacting the collector.

If you're sued by a debt collector, be sure to respond to court documents.

If you don't respond to court documents, or if you don't show up for a court hearing, the court will usually issue a money judgment against you. You may want a lawyer to advise or represent you at the hearing. To find a lawyer in your state to discuss debt collection with, visit consumerfinance.gov/askcfpb/1433.