

**If You Have Debt,
You Could Be
Throwing Away Thousands
Of Dollars In Interest Payments!**

“Well then, you should have put my money on deposit with the bankers, so that when I returned I would have received it back with interest.” Matthew 25:27 (NIV)

If you were asked 2 times 3, you could readily give the answer. If you were asked 2345 times 7893, you could come up with the answer but it may take you some time. The reason you could come up with the answer is because of the formula you were taught to use in elementary school.

The same thing applies when getting rid of interest payments. As long as you have a formula you could do it. The secrets to lowering your monthly interest payments can be done in 3 easy steps:

Step #1: Pay Cash For All Minor Expenses

If you start paying in cash all the monies you were sending to creditors every month is now yours. You will become your own bank...your own credit card company.

If you can't afford to pay for an item, don't put it on your credit card. Save and pay with cash. Credit cards are not additional income. If you carry a balance, do not use your credit card for everyday items such as meals, clothes, gas and groceries. A debit card is much better to use. Your purchases come directly out of your checking account. You cannot spend what you do not have.

Step #2: Do Not Borrow More Than You Can Afford

Once you start paying for your minor expenses in cash, minimize the payment of interest on major expenses by not borrowing more than you can afford.

Beware of no interest financing. You will be hit with a high interest payment if you don't pay at least the minimum each month and pay off the balance by the end of the offer.

If your home is more than you can afford, sell your home and downsize into one that fits into your budget. Mortgage payments, property taxes and homeowners insurance should be less than 25% of your gross income.

If your auto loan is a larger part of your budget than you can afford, sell the car and get a car with a lower payment. Also, limit your loan to 36 months. You will pay too much interest with a longer loan. The more you put down on your car, the more money you will save in interest payments. A goal is to eventually pay cash for a car since it is an asset that depreciates as soon as you drive off the dealer's lot.

Save interest by making one additional payment each year on your mortgage. Send the lender a

letter in writing that the extra payment should be applied to principal, not interest. Keep a copy of the check and letter to make sure the payment has been applied correctly.

Step #3: Clean Up Your Credit Report

If you are like most people, the two biggest purchases you will EVER make in your life will be your DREAM CAR and your DREAM HOME. Right?

You can save up to \$53,387.24 (or more) on just these two purchases alone.

How? By learning the secrets to building a great credit report and qualifying for the lowest interest rate.

Total Interest You Will Pay on a \$20,000 Car Loan Over 3 years

<u>Your Credit Status</u>	<u>Interest Rate</u>	<u>Interest you will Pay!</u>
Bad Credit	10%	\$3,232.00
Great Credit	0%	\$0
	You Save!	\$3232.00

Total Interest You Will Pay on a \$100,000 Home Loan Over 30 years

<u>Your Credit Status</u>	<u>Interest Rate</u>	<u>Interest you will Pay!</u>
Bad Credit	9%	\$189,664.14
Great Credit	7%	\$139,508.90
	You Save!	\$50,155.24

As you can see, between your dream car and your dream home your bad credit will cost you \$53,387.24 more in interest payments.

This is \$53,387.24 banks will make off you just because you don't qualify for the lowest interest rates, due to your credit status.

You don't have to hire a professional to clean up your credit report. You can do it yourself. Step by step formulas are available on our website.

As you can see, lowering (preferably eliminating) interest payments will save you tens of thousands of dollars. You must follow the aforementioned steps. Following Step #1 will definitely eliminate interest payments. Until you get to the point where you can live strictly on cash and you are completely Debt FREE, you must do Step #2 (**Do Not Borrow More Than You Can Afford**) and Step #3 (**Clean Up Your Credit Report**). Not borrowing more than you

can afford and cleaning up your credit report will get you to Step #1 faster. And we all know that time is money.

Stay tuned. Next article will feature **“How to Operate on a Strictly CASH Basis”**

TO YOUR SUCCESSFUL JOURNEY!!!

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We respond within 24 hours.