

WealthPulse by SmartMoney

Debt Destruction Playbook

The complete, no-excuses guide to getting out of debt for good.

■ **Every dollar in interest is money stolen from your future.**

The average American carries \$21,000 in non-mortgage debt. Nothing you invest will outperform the guaranteed return of eliminating a 20% interest rate.

Know Your Enemy: Types of Debt

Debt Type	Rate	Priority	Strategy
Credit Cards	18-29%	URGENT	Attack immediately. Every month costs you.
Payday Loans	300%+	EMERGENCY	Predatory. Exit by any means necessary.
Personal Loans	8-36%	High	Anything over 10% is a priority.
Car Loans	4-12%	Medium	Normal + a little extra. Don't neglect retirement.
Student Loans (private)	5-14%	Medium	Aggressive payoff if rate > 6%.
Student Loans (federal)	3-7%	Lower	Income-driven repayment available.
Mortgage	3-8%	Lowest	Low rate + tax deductible. Invest instead.

Avalanche vs. Snowball

	* Avalanche Method	■ Snowball Method
Best for	Numbers-focused, disciplined	People needing momentum
	Highest interest rate first	Smallest balance first
Advantage	Saves most money overall	Creates quick psychological wins
	Start here if you can stick to it	Switch to this if you feel stuck

The Debt Roll-Up Strategy

When you pay off one debt, don't reduce your total monthly payment — roll that amount onto the next debt. This accelerates payoff exponentially.

1	<p>Pay minimums on all debts every month.</p> <p>Never miss a minimum — late fees and credit damage make everything worse.</p>
2	<p>Put every extra dollar toward Target Debt #1.</p> <p>Avalanche: highest rate. Snowball: lowest balance.</p>
3	<p>When Debt #1 is gone, roll that payment onto Debt #2.</p> <p>Your monthly payment stays the same but the attack power doubles.</p>

4

Repeat until debt-free.

The momentum builds with each debt eliminated.

Negotiation Scripts That Work

These work better than most people expect. Companies have retention departments specifically to keep customers.

Lower Your Credit Card Rate

"I've been a customer for X years with on-time payments. I've received offers with lower rates. Before I transfer my balance, can you match or reduce my rate?"

Settle a Collections Debt

"I'd like to resolve this account. I'm in a difficult position but I can pay [50-60%] as a full settlement today if you provide written confirmation."

Remove a Late Payment

"I've been a customer for X years with an otherwise perfect history. I had one late payment due to [reason]. Could you offer a goodwill removal?"

Balance Transfer Strategy

■ What it is

Moving high-interest credit card debt to a new card with 0% intro APR (typically 12-21 months).

■ When to use

You have high-rate credit card debt, 680+ credit score, and CAN pay it off within the intro period.

■ The math

\$8,000 at 22% for 18 months = \$2,880 in interest. At 0% = \$0. The math is obvious.

■ The trap

Balance transfer fee is 3-5%. Don't transfer if fee exceeds savings. NEVER carry a balance past the intro period — rates spike to 25%+.

■ Best cards

Citi Diamond Preferred, Wells Fargo Reflect, BankAmericard. Compare current offers before applying.