



PowerPay Debt Reduction Analysis Assignment

- Use the worksheet below to make up a “case study household” with between seven (7) and ten (10) creditors. List the creditor name, balance owed, monthly payment (note: it must be at least 2% of the balance owed) and the APR (interest rate) for each debt. Make up realistic numbers.

Example: J.C. Penney, \$1,020, \$30, 22%

Creditor	Balance Owning	Monthly Payment	Annual % Rate

- Go to the PowerPay Web site at www.powerpay.org. Click on “Flash Version” (if you have Flash installed on your computer) or “HTML Version.”
- Click on “Add a Creditor” and add the information from your worksheet above.
- Print out** your list of creditors.
- When finished adding all the creditors, click on “enter additional payments” and create a scenario (e.g., use of a tax refund to repay debt).
- Click “Submit.”
- Review the cost savings from using PowerPay’s three different options (highest interest, lowest balance, shortest payoff term) and **print out** the time and interest savings page.
- Click on “Click for Details” on the method with the greatest cost savings.
- Print out** the debt repayment calendar for that repayment method.
- Review your printouts and write a one-page summary about your scenario and what you learned about debt and credit card interest from completing the assignment.