

## Finding Financial Peace: Credit Card Freeze Tag – One Card

- Balance owed \$10,000
- Minimum payment Greater of 3% of outstanding balance or \$20
- Interest rate 12%

Description	<u>Minimum Only</u>		<u>Fixed Monthly Payment</u>	
	Only make the minimum payment each month		Always pay the same amount as in the first month	
Sample Payments:	Payment	Balance After Payment	Payment	Balance After Payment
■ Month 1	\$300.00	\$9,800.00	\$300.00	\$9,800.00
■ Month 2	294.00	9,604.00	300.00	9,598.00
■ Month 3	288.12	9,411.92	300.00	9,393.98
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■ Month 24	188.50	6,157.79	300.00	4,605.33
■ Month 25	184.73	6,034.64	300.00	4,351.38
■ Month 26	181.04	5,913.95	300.00	4,094.89
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■ Month 40	136.44	4,457.02	300.00	222.73
■ Month 41	133.71	4,367.88	224.96	0.00
■ Month 42	131.04	4,280.52	0.00	0.00
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■ Months 43 - 175	6,235.80	0.00	0.00	0.00

**Results:**

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|-----------------|-----------------|----------------|
| ■ Payoff time   | <b>175 mos.</b> | <b>41 mos</b>  |
| ■ Interest paid | <b>\$4,815</b>  | <b>\$2,225</b> |