

## Case Study: Sample 2

- 4 Credit Cards
- Total Debt \$11,242
- Pledge Money \$100\*

\* Extra money that gets added into the debt repayment plan each month

The screenshot shows the 'Zilch Standard - Main Screen' interface. At the top, there are four main sections: 'Start Month' (Jan, 2005), 'Payoff Strategy' (Annual Percentage Rate), 'Pledge Money' (\$100), and 'Repayment Plan' (Immediate). Below these is a table with the following data:

	Creditor Name	APR	Current Balance	Monthly Pmt
1	Sears	21.00	3,415.00	85.00
2	MasterCard	19.80	1,705.00	49.00
3	Discover	17.90	3,781.00	95.00
4	Visa	12.90	2,341.00	70.00
4	Totals		\$11,242.00	\$299.00

To the right of the table is a 'Start Here' section with a downward arrow and buttons for 'Add...', 'Edit...', 'Delete', 'Sort', 'Move Up', and 'Move Dn'. Below the table are two yellow boxes with instructions and buttons:

- Debt Analysis:** Click this button to perform financial analysis and play "what-if" on each debt listed above.
- Debt Reduction:** Click this button to formulate a rapid debt repayment plan on the entire group of debts listed above.

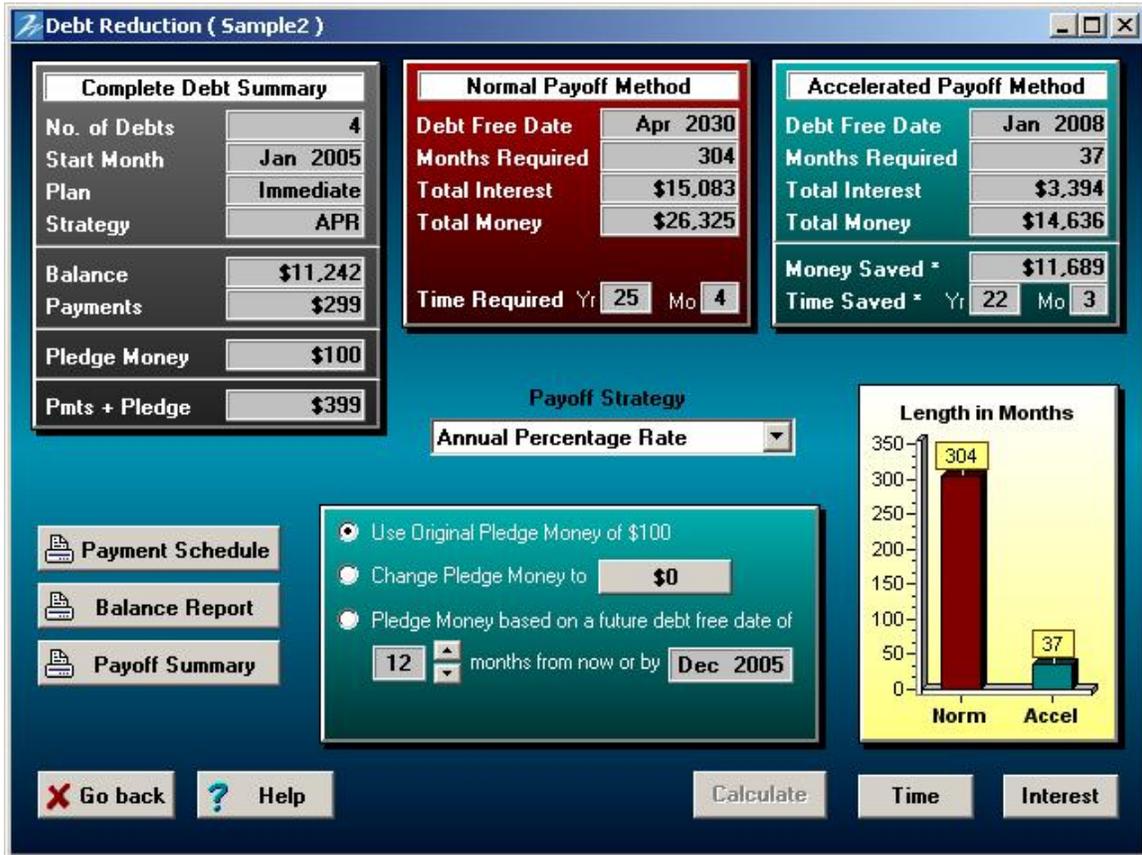
The status bar at the bottom shows 'File: Sample2 Modified Status Bar'.

After the data has been entered click the "Debt Reduction" button.

This is where you view the results of your debt reduction plan and print off the reports.

**Normal Payoff Method:** This is what happens when the minimum amount due is sent to the creditors each month.

- Payoff Time: 25 yrs 4 mos
- Total Interest Paid: \$15,083
- Total Money Paid: \$26,325



**Accelerate Payoff Method:** This is what happens when you follow the repayment plan created by our Zilch Standard Debt Reduction software:

- Payoff Time: 3 yrs 1 mo
- Total Interest Paid: \$3,394
- Total Money Paid: \$14,636

Time Saved: **22 yrs 3 mos**

Money Saved: **\$11,689**

The Payoff Summary Report, Monthly Payment Schedule, and Monthly Balance Report are on the next few pages.



# Payoff Summary Report

Payoff Strategy: Annual Percentage Rate

Date Prepared: 1/17/2005

Pledge Money: \$100

Page 1

Start Month: Jan 2005

<u>Payoff Priority</u>	<u>Creditor Name</u>	<u>APR</u>	<u>Starting Balance</u>	<u>Monthly Payment</u>	<u>Interest</u>
1	Sears	21.00	3,415.00	85.00	7,096.53
2	MasterCard	19.80	1,705.00	49.00	1,857.39
3	Discover	17.90	3,781.00	95.00	4,973.67
4	Visa	12.90	2,341.00	70.00	1,155.53
<b>Totals</b>			<b>11,242.00</b>	<b>299.00</b>	

### Normal Payoff Method

<b>Debt Free Date</b>	<b>Apr 2030</b> (25 Yrs 4 Mos)
Total Interest Paid	\$15,083
<b>Total Money Paid</b>	<b>\$26,325</b>
Number of Months Required	304

### ZilchWorks Payoff Method

<b>Debt Free Date</b>	<b>Jan 2008</b> (3 Yrs 1 Mo)
Total Interest Paid	\$3,394
Total Money Paid	\$14,636
Number of Months Required	37
<b>Money Saved</b>	<b>\$11,689</b>
<b>Time Saved</b>	<b>22 Yrs 3 Mos</b>



# Monthly Payment Schedule

Payoff Strategy: Annual Percentage Rate  
Pledge Money: \$100

Date Prepared: 1/17/2005  
Page 1

## 2005 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Sears	185	185	185	185	185	185	185	185	185	185	185	185
MasterCard	49	49	49	49	49	49	49	49	49	49	49	49
Discover	95	95	95	95	95	95	95	95	95	95	95	95
Visa	70	70	70	70	70	70	70	70	70	70	70	70

## 2006 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Sears	185	185	185	185	185	185	185	185	185	185	91	0
MasterCard	49	49	49	49	49	49	49	49	49	49	143	234
Discover	95	95	95	95	95	95	95	95	95	95	95	95
Visa	70	70	70	70	70	70	70	70	70	70	70	70

## 2007 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
MasterCard	234	234	234	146	0	0	0	0	0	0	0	0
Discover	95	95	95	183	329	329	329	329	329	329	329	216
Visa	70	70	70	70	70	70	70	70	70	70	70	183

## 2008 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Visa	272	***	***	***	***	***	***	***	***	***	***	***



# Monthly Balance Report

Payoff Strategy: Annual Percentage Rate  
Pledge Money: \$100

Date Prepared: 1/17/2005  
Page 1

## 2005 Balances

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Sears	3,290	3,162	3,033	2,901	2,767	2,630	2,491	2,350	2,206	2,059	1,910	1,759
MasterCard	1,684	1,663	1,641	1,619	1,597	1,575	1,551	1,528	1,504	1,480	1,456	1,431
Discover	3,742	3,703	3,663	3,623	3,582	3,541	3,498	3,456	3,412	3,368	3,323	3,278
Visa	2,296	2,251	2,205	2,159	2,112	2,065	2,017	1,969	1,920	1,870	1,820	1,770
<b>Remaining Balance</b>	<b>11,012</b>	<b>10,779</b>	<b>10,542</b>	<b>10,302</b>	<b>10,058</b>	<b>9,811</b>	<b>9,557</b>	<b>9,303</b>	<b>9,042</b>	<b>8,777</b>	<b>8,509</b>	<b>8,238</b>

## 2006 Balances

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Sears	1,604	1,448	1,288	1,125	960	792	621	447	269	89	0	0
MasterCard	1,405	1,379	1,353	1,326	1,299	1,272	1,244	1,215	1,186	1,157	1,033	816
Discover	3,232	3,185	3,137	3,089	3,040	2,991	2,940	2,889	2,837	2,785	2,731	2,677
Visa	1,719	1,668	1,615	1,563	1,510	1,456	1,401	1,347	1,291	1,235	1,178	1,121
<b>Remaining Balance</b>	<b>7,960</b>	<b>7,680</b>	<b>7,393</b>	<b>7,103</b>	<b>6,809</b>	<b>6,511</b>	<b>6,206</b>	<b>5,898</b>	<b>5,583</b>	<b>5,266</b>	<b>4,942</b>	<b>4,614</b>

## 2007 Balances

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
MasterCard	595	371	143	0	0	0	0	0	0	0	0	0
Discover	2,622	2,566	2,509	2,363	2,069	1,771	1,469	1,162	850	534	213	0
Visa	1,063	1,004	945	885	825	764	702	639	576	512	448	270
<b>Remaining Balance</b>	<b>4,280</b>	<b>3,941</b>	<b>3,597</b>	<b>3,248</b>	<b>2,894</b>	<b>2,535</b>	<b>2,171</b>	<b>1,801</b>	<b>1,426</b>	<b>1,046</b>	<b>661</b>	<b>270</b>

## 2008 Balances

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Visa	0	***	***	***	***	***	***	***	***	***	***	***

## Questions & What If's:

What if you wanted to be out of debt in 2 yrs 6 mos? How do I create a plan to handle that?

1. Go to the "Debt Reduction" screen and click the 3rd radio button in the middle of the screen. This lets you "Dial A Date" that you want to become debt free on.
2. Next, click the little up arrow until it reaches 30 months which is 2 yrs 6 months.
3. Notice the "???" in the Complete Debt Summary box. This means you need click the calculate button to create a new debt repayment plan.

**Complete Debt Summary**

No. of Debts	4
Start Month	Jan 2005
Plan	Immediate
Strategy	APR
Balance	\$11,242
Payments	\$299
Pledge Money	???
Pmts + Pledge	???

**Normal Payoff Method**

Debt Free Date	Apr 2030
Months Required	304
Total Interest	\$15,083
Total Money	\$26,325
Time Required	Yr 25 Mo 4

**Accelerated Payoff Method**

Debt Free Date	
Months Required	
Total Interest	\$
Total Money	\$
Money Saved *	\$
Time Saved *	Yr Mo

**Payoff Strategy**

Annual Percentage Rate

Use Original Pledge Money of \$100

Change Pledge Money to \$0

Pledge Money based on a future debt free date of 30 months from now or by Jun 2007

**Length in Months**

Norm	304
Accel	0

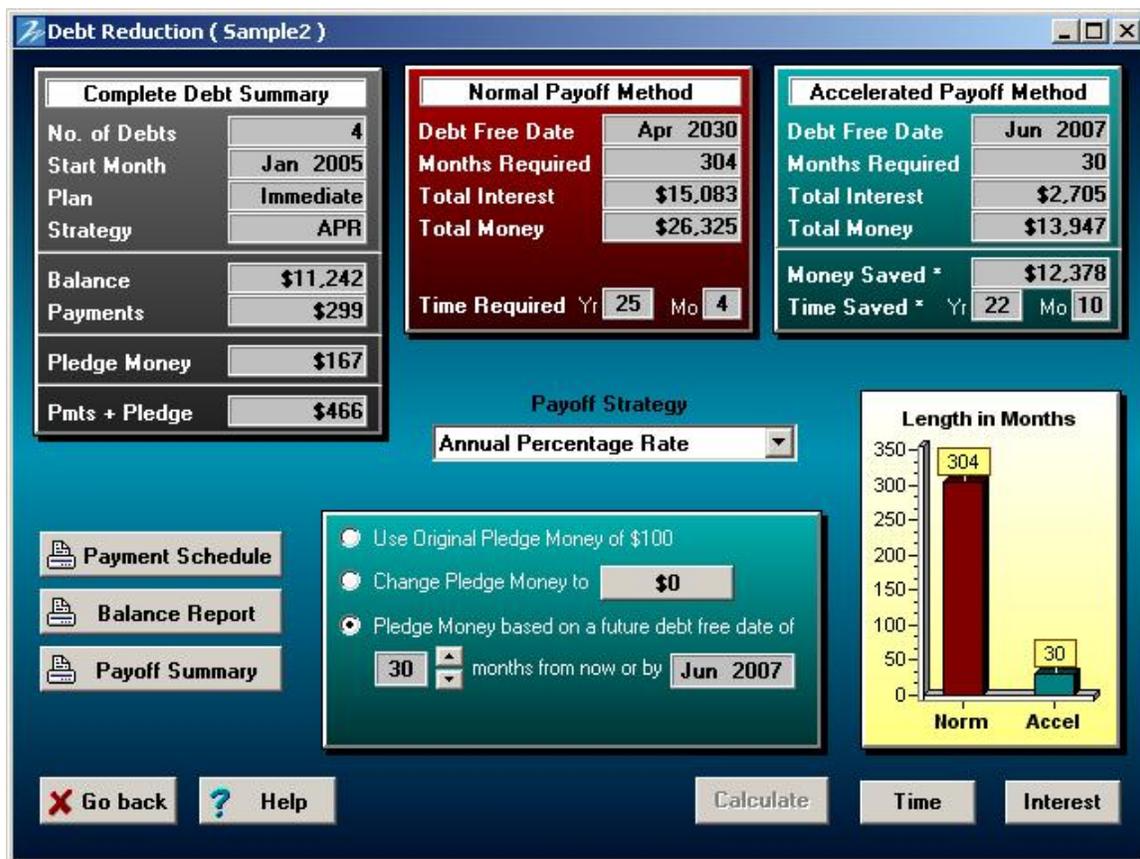
Go back Help Calculate Time Interest

4. Click the calculate button to create a new debt repayment plan.

You now have a new debt repayment plan for getting out of debt by the date you specified. In this case 30 months or 2 yrs 6 mos.

Look at the box in the upper right corner called "Accelerator Payoff Method". It shows a Debt Free date of Jun 30 2007 which is 30 months away.

Look at the box in the upper left corner called "Complete Debt Summary". It tells you that you need to use \$167 in Pledge Money in order to get out of debt in 30 months.



The new Payoff Summary Report and Monthly Payment Schedule on the next couple pages.



# Payoff Summary Report

Payoff Strategy: Annual Percentage Rate

Date Prepared: 1/17/2005

Pledge Money: \$167

Page 1

Start Month: Jan 2005

<u>Payoff Priority</u>	<u>Creditor Name</u>	<u>APR</u>	<u>Starting Balance</u>	<u>Monthly Payment</u>	<u>Interest</u>
1	Sears	21.00	3,415.00	85.00	7,096.53
2	MasterCard	19.80	1,705.00	49.00	1,857.39
3	Discover	17.90	3,781.00	95.00	4,973.67
4	Visa	12.90	2,341.00	70.00	1,155.53
<b>Totals</b>			<b>11,242.00</b>	<b>299.00</b>	

### Normal Payoff Method

<b>Debt Free Date</b>	<b>Apr 2030</b> <b>(25 Yrs 4 Mos)</b>
Total Interest Paid	\$15,083
<b>Total Money Paid</b>	<b>\$26,325</b>
Number of Months Required	304

### ZilchWorks Payoff Method

<b>Debt Free Date</b>	<b>Jun 2007</b> <b>(2 Yrs 6 Mos)</b>
Total Interest Paid	\$2,705
Total Money Paid	\$13,947
Number of Months Required	30
<b>Money Saved</b>	<b>\$12,378</b>
<b>Time Saved</b>	<b>22 Yrs 10 Mos</b>



# Monthly Payment Schedule

Payoff Strategy: Annual Percentage Rate  
Pledge Money: \$167

Date Prepared: 1/17/2005  
Page 1

## 2005 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Sears	252	252	252	252	252	252	252	252	252	252	252	252
MasterCard	49	49	49	49	49	49	49	49	49	49	49	49
Discover	95	95	95	95	95	95	95	95	95	95	95	95
Visa	70	70	70	70	70	70	70	70	70	70	70	70

## 2006 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Sears	252	252	252	153	0	0	0	0	0	0	0	0
MasterCard	49	49	49	148	301	301	301	301	77	0	0	0
Discover	95	95	95	95	95	95	95	95	319	396	396	396
Visa	70	70	70	70	70	70	70	70	70	70	70	70

## 2007 Payments

<u>Creditor Name</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Discover	396	396	396	396	0	0	***	***	***	***	***	***
Visa	70	70	70	70	466	433	***	***	***	***	***	***