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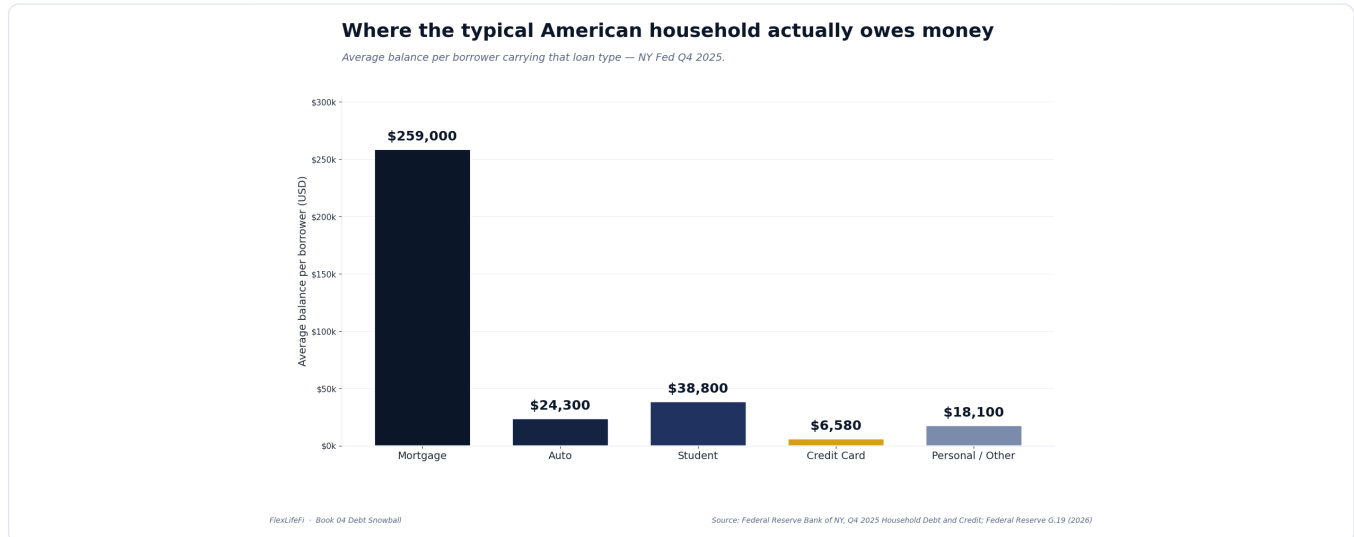
# The Debt Snowball

*List it. Snowball it. Accelerate it.  
The plain-English path to \$0.*

THE BIG PICTURE

# Debt is a behavior problem with a math problem riding shotgun.

Most U.S. households carry five different loans at five different rates.<sup>3,19</sup> Fix only the math and you keep slipping. Fix only the behavior and you overpay. Three pages — LIST » SNOWBALL » ACCELERATE — fix both.



Average balance per borrower carrying that loan type — Federal Reserve Bank of New York Q4 2025; Federal Reserve G.19.<sup>3,19</sup>

## 21.52%

AVG REVOLVING APR

Federal Reserve G.19, Q1 2026 — credit-card accounts assessed interest.<sup>3</sup>

## \$104k

AVG US HOUSEHOLD DEBT

Total household debt ÷ households carrying any debt, NY Fed Q4 2025.<sup>19</sup>

## 71%

MORTGAGE SHARE

Mortgages as a share of total household debt — the rest is what this book attacks first.<sup>19</sup>

### WHERE YOU ARE NOW

#### The phase ribbon

**LIST** · Inventory every debt — balance, APR, minimum, due date.

**SNOWBALL** · Pick a method and roll payments forward as accounts hit \$0.

**ACCELERATE** · Drop APRs, refinance, side-income debt fund.

Money is a tool — not a master. The point is the day after the last payment clears.

PHASE ONE · LIST

# LIST · inventory every debt before anything else.

*You cannot attack what you have not measured. Day one: pull all three reports, list every balance and APR, rank them. The CFPB calls this the most important first step.*<sup>8,20</sup>

**1 | Pull all three credit reports.**

Free weekly at [annualcreditreport.com](https://annualcreditreport.com) (877-322-8228) — only federally authorized site. Save PDFs of all three.<sup>20</sup>

**2 | List every balance + APR.**

One row per debt. Lender, balance, APR, minimum, due date — by hand or in a spreadsheet. No rounding, no shame.<sup>8</sup>

**3 | Categorize secured vs. unsecured.**

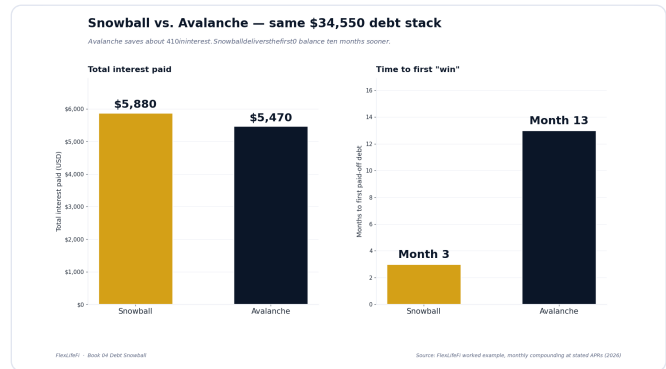
Mortgage and auto have collateral — pay minimums. Cards, medical, personal loans are unsecured — your snowball target.<sup>8</sup>

**4 | Rank smallest balance to largest.**

The snowball order. Quick wins build the stamina for the bigger ones.<sup>14</sup>

**5 | Calculate total interest cost.**

Use the CFPB payoff calculator. Knowing lifetime interest turns "minimum payment" into a real number.<sup>8,10</sup>



Same \$34,550 stack. Avalanche saves ≈\$410. Snowball delivers the first \$0 ten months sooner.<sup>14</sup>

**BUREAU-DIRECT**

**The peer-reviewed answer**

Northwestern Kellogg's Gal & McShane found the **percentage of an account paid down was the strongest predictor of debt elimination** — stronger than balance or APR. People who can see a balance go to zero are dramatically more likely to finish.<sup>14</sup>

**Quick Check 1 — List**

1. Only federally authorized free-report site?
2. Secured vs. unsecured: which gets your "extra" first?
3. Snowball orders by \_\_\_\_; Avalanche by \_\_\_\_.

Answers in footer of page 4 →

PHASE TWO · SNOWBALL

# SNOWBALL · roll a paid-off minimum onto the next debt.

*\$880/mo, four debts, smallest first. The medical bill clears in three months. The card a year later. The whole stack in under four years.*

- 1 | Pay the minimum on every debt.**  
 Late fees and rate jacks restart the clock. Auto-pay the minimum on every account the day after payday.<sup>10</sup>

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- 2 | Throw extra at the smallest balance.**  
 Every cent above minimums goes to one debt only — the smallest unsecured target.<sup>14</sup>

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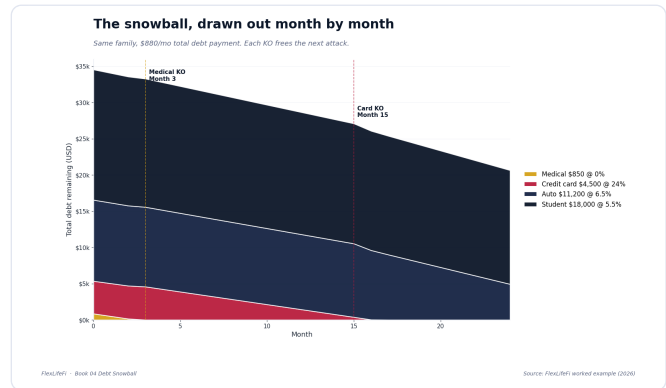
- 3 | Roll the full payment forward at \$0.**  
 Take the freed payment (minimum + extra) and add it to the next-smallest. The snowball gets bigger every time.<sup>14</sup>

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- 4 | Celebrate every KO out loud.**  
 Tape the paid-off statement to the fridge. Tell one person. Visible wins carry you through the long middle.<sup>14</sup>

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- 5 | Automate the rolls.**  
 The night you pay one off, log in and bump the next auto-pay by exactly the freed amount. Don't trust future-you.<sup>10</sup>



First 24 months of a real snowball. Each "KO" frees the next attack.<sup>14</sup>

## COACH LEDGER'S CALL SCRIPTS

### What to say to a creditor

**Lower APR:** "Customer since [year]. I'd like an APR reduction. Can you help today, or do I need retention?"<sup>10</sup>

**Hardship:** "I've had a real change. I'd rather call now than miss a payment. What hardship programs do you offer?"<sup>7</sup>

**Verified lines:** Chase 800-432-3117 · Cap One 800-227-4825 · AmEx 800-528-4800.<sup>21,22,23</sup>

## Quick Check 2 — Snowball

1. Smallest hits \$0 — what do you do with the freed payment?
2. What does "hardship" typically deliver?
3. Why automate the roll the same night?

**Page 3 answers:** 1) annualcreditreport.com (877-322-8228); 2) Unsecured; 3) balance / interest rate.

PHASE THREE · ACCELERATE

# ACCELERATE · cut years off the timeline.

A 12-minute call drops your APR. A side gig with \$200/month for debt shaves three years. A refinance — or a hard "no" to lifestyle creep — does the rest.

## 1 | Negotiate APRs.

Call retention on every revolving card. Most issuers trim 2–6 points if you have on-time history.<sup>10,21</sup>

## 2 | Run balance-transfer math.

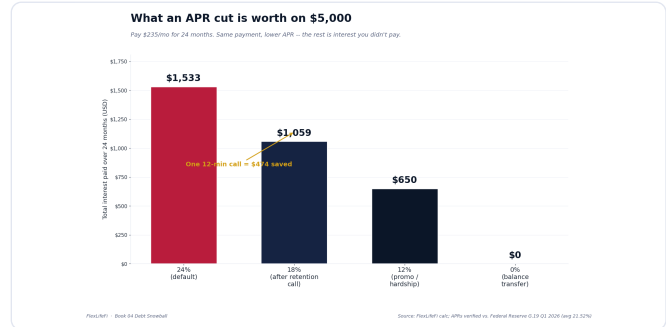
0% transfers charge a 3–5% fee.<sup>15</sup> Worth it **only** if you can finish before intro ends. Mark end-date in red.

## 3 | Refinance auto / student.

Auto rates track your score; one tier can drop the rate 1–2 points. Federal student loans: never refi to private if you might need IDR.<sup>8</sup>

## 4 | Side-income debt fund.

Open a separate checking. Every dollar of side income lands here and goes straight to the snowball. See Books 07 & 09.<sup>11</sup>



Same \$5,000, same \$235/mo, four APRs. The retention call alone is worth ≈\$340.<sup>3</sup>

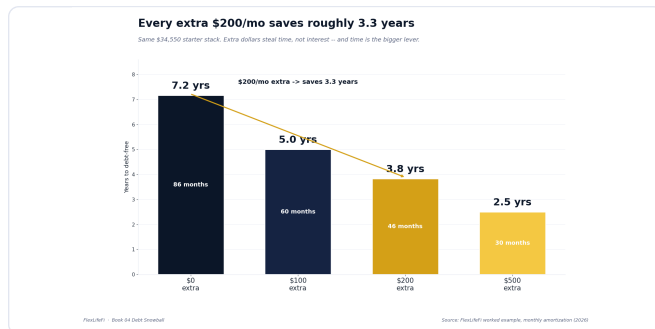
*"We had four debts totaling \$48,200 — cards, an auto loan, a personal loan from family. Listed them on a Sunday, called every issuer Tuesday, dropped two cards to 0% promo for 18 months, put every dollar of overtime on the smallest. Thirty-one months later the last balance read \$0.00. The freed-up \$1,250/month became the down payment on our first long-term rental."*

### THE FAMILY · FLEXLIFEFI CASE STUDY (ANONYMIZED)

#### THE TRAP

#### Deferred-interest "0%" offers.

Some promos retroactively charge interest from day one if you don't finish in time. Phrase to look for: "deferred interest." Walk past it.<sup>8</sup>



\$34,550 stack, \$578 minimums. \$200/mo extra = 3.3 years saved.

## TOP COMPANIES · DIRECT CONTACTS

# Twelve numbers worth saving today.

*Every URL and phone verified by web search on 2026-04-25. Non-profit counselors first, federal agencies second, card-issuer retention lines third. The number on the back of your actual card always overrides.*

Source	What to ask for	Phone	Web
<b>NFCC</b>	Free / low-cost referral to a non-profit counselor	<b>800-388-2227</b> <sup>11</sup>	nfcc.org
<b>Money Management Int'l</b>	Non-profit DMP enrollment	<b>866-889-9347</b> <sup>12</sup>	mmintl.org
<b>GreenPath Financial</b>	Non-profit DMP enrollment	<b>800-550-1961</b> <sup>13</sup>	greenpath.com
<b>CFPB</b>	Complaint vs. collector / lender; FDCPA help	<b>855-411-2372</b> <sup>2</sup>	consumerfinance.gov/complaint
<b>FTC</b>	Report deceptive debt-collector behavior	<b>877-382-4357</b> <sup>4</sup>	consumer.ftc.gov
<b>Federal Reserve</b>	Consumer Credit data — G.19	n/a	federalreserve.gov/releases/g19 <sup>3</sup>
<b>AnnualCreditReport</b>	Free weekly all-3-bureau reports	<b>877-322-8228</b> <sup>20</sup>	annualcreditreport.com
<b>IRS (individual)</b>	1099-C cancellation-of-debt income	<b>800-829-1040</b> <sup>5,9</sup>	irs.gov
<b>Equifax</b>	Dispute / freeze	<b>888-378-4329</b> <sup>16</sup>	equifax.com
<b>Experian</b>	Dispute / freeze	<b>888-397-3742</b> <sup>18</sup>	experian.com
<b>TransUnion</b>	Dispute / freeze	<b>800-916-8800</b> <sup>17</sup>	transunion.com
<b>Card retention</b>	APR reduction / hardship	Chase <b>800-432-3117</b> · Cap One <b>800-227-4825</b> · AmEx <b>800-528-4800</b> <sup>21,22,23</sup>	back of card overrides

**COACH LEDGER**

*"Non-profit counselors charge \$0–\$50. Settlement firms charge 20–25%. Same goal — yours costs lunch money."*

**THE TRAP****For-profit "debt settlement" ads.**

Up-front fees violate the FTC's Telemarketing Sales Rule. NFCC, MMI, and GreenPath are the three non-profit options.<sup>4,11,12</sup>

## ACTION PLAN · 30 DAYS

# Six dated steps. One month. Real points.

*Pick a Monday. Tape this page to the fridge. Day 30 is when the first balance hits zero on a typical four-debt stack — and it never feels small.*

- DAY 1**     **Inventory every debt.**  
 Pull all three credit reports at [annualcreditreport.com](http://annualcreditreport.com) (877-322-8228). One sheet — lender, balance, APR, minimum, due date.<sup>20</sup>
- DAY 4**     **Fill out the budget worksheet.**  
 Take-home minus essentials minus minimums = your "extra." Even \$100/mo cuts the timeline by 1.5+ years.<sup>8</sup>
- DAY 7**     **Pick Snowball or Avalanche.**  
 Snowball if you've quit before. Avalanche if a spreadsheet motivates you. Order on a sticky note — bathroom mirror.<sup>14</sup>
- DAY 10**    **Make the four phone calls.**  
 Block 90 minutes. Retention on every card. Itemize every medical bill. Ask each lender about hardship. Take notes.<sup>10,21</sup>
- DAY 14**    **Automate everything.**  
 Auto-pay the minimum on every debt the day after payday. Auto-transfer the "extra" to the smallest target the same day.<sup>10</sup>
- DAY 30**    **Review + first paid-off win.**  
 Pull updated balances. Recompute order. Most readers hit \$0 on the smallest debt by day 30 if it was under \$900. Tell one person.<sup>14</sup>

**SUSANNE SAYS**

**"The first one teaches you the rest."**

The first paid-off bill is the moment your brain decides the rest is possible. The math after that is on rails.

# \$0

**COST TO RUN**

Every tool here is free. Counselor sessions \$0-\$50. Phone and postage are the line items.

## GLOSSARY

## Twelve terms in plain English.

*Lenders use the jargon to keep the math fuzzy. Memorize these and the fog clears.*

**APR (Annual Percentage Rate)**

Yearly cost of borrowing, expressed as a percent. A 24% APR is roughly 2% added in interest each month.<sup>10</sup>

**APY (Annual Percentage Yield)**

What a deposit earns with compounding. APR is what you owe; APY is what you earn.<sup>10</sup>

**Snowball Method**

Pay extra on the smallest balance first. Behavior-optimal. The peer-reviewed winner for finishing.<sup>14</sup>

**Avalanche Method**

Pay extra on the highest-APR debt first. Math-optimal — saves slightly less interest if you stick.<sup>14</sup>

**Balance Transfer**

Moving a balance from one card to another, usually with a 3–5% fee and a 0% intro period.<sup>15</sup>

**Secured Debt**

A loan with collateral the lender can repossess (mortgage, auto). Stay current on minimums.<sup>8</sup>

**Unsecured Debt**

A loan with no collateral (credit card, medical, personal). Higher APRs, the snowball's first target.<sup>8</sup>

**Statute of Limitations**

Time window during which a creditor can sue. Varies by state (3–10 yrs). A new payment can restart it — call a counselor first.<sup>11</sup>

**Charity Care**

A program non-profit hospitals must offer for low-income households. Reduces or zeroes the bill.<sup>8</sup>

**Hardship Program**

An issuer's formal short-term relief — APR cut to 0–9% for 6–12 mo, fees waived. Not advertised; you must ask.<sup>7</sup>

**Debt Management Plan (DMP)**

A non-profit-administered program that consolidates payments and often reduces APRs. Distinct from a debt-consolidation loan.<sup>6</sup>

**Form 1099-C**

IRS form a creditor sends if they cancel \$600+ of debt. Most canceled debt is taxable income.<sup>5,9</sup>

**Pay-for-Delete**

An agreement (in writing) where a collector deletes the negative tradeline in exchange for payment.<sup>2</sup>

**Tradeline**

A single account on your credit report. Each card, loan, and mortgage is one tradeline.<sup>20</sup>

## FAQ · CROSS-REFS · CITATIONS

**Six questions. Three next reads. Every source.****FAQ****1. I have \$200. Save it or pay debt?**

Save it — get to a starter \$1,000 emergency fund first.<sup>8</sup>

**2. Close cards after pay-off?**

Usually no — closing lowers total available credit and can drop your score. See Book 11.

**3. Mix Snowball and Avalanche?**

Yes — Snowball the smallest medical bill for the early win, then Avalanche the rest.<sup>14</sup>

**4. Settlement firms = non-profit counselors?**

**No.** Settlement firms charge 20–25%. NFCC, MMI, GreenPath charge \$0–\$50.<sup>11,12,13</sup>

**5. Can a collector call my employer?**

Under the FDCPA, no — they cannot tell your employer about the debt or call work after a written stop request.<sup>1</sup>

**6. Will pay-off drop my score short-term?**

Sometimes briefly — especially if you close a card or pay your only installment loan. The dip is small and short.

1. CFPB, "What is the FDCPA?" [consumerfinance.gov/ask-cfpb/what-is-the-fair-debt-collection-practices-act-fdcpa-en-1695/](https://consumerfinance.gov/ask-cfpb/what-is-the-fair-debt-collection-practices-act-fdcpa-en-1695/) (2026).

2. CFPB, "Submit a complaint," [consumerfinance.gov/complaint/](https://consumerfinance.gov/complaint/) — 855-411-2372 (verified 2026-04-25).

3. Federal Reserve, Consumer Credit G.19, [federalreserve.gov/releases/g19/current/](https://federalreserve.gov/releases/g19/current/) — Q1 2026 avg APR 21.52%.

4. FTC, "Debt Collection FAQs," [consumer.ftc.gov/articles/debt-collection-faqs](https://consumer.ftc.gov/articles/debt-collection-faqs) — 877-382-4357 (verified 2026-04-25).

5. IRS, Publication 4681 (2024), Canceled Debts, [irs.gov/publications/p4681](https://irs.gov/publications/p4681).

6. CFPB, "What is a debt management plan?" [consumerfinance.gov/ask-cfpb/what-is-a-debt-management-plan-dmp-en-1493/](https://consumerfinance.gov/ask-cfpb/what-is-a-debt-management-plan-dmp-en-1493/) (2026).

7. CFPB, "Regulation F," [consumerfinance.gov/rules-policy/final-rules/debt-collection-practices-regulation-f/](https://consumerfinance.gov/rules-policy/final-rules/debt-collection-practices-regulation-f/) (2024).

8. FTC, "Coping with Debt," [consumer.ftc.gov/articles/coping-debt](https://consumer.ftc.gov/articles/coping-debt) (2026).

9. IRS, "Topic 431, Canceled Debt," [irs.gov/taxtopics/tc431](https://irs.gov/taxtopics/tc431) (2026).

10. CFPB, "What is an APR?" [consumerfinance.gov/ask-cfpb/what-is-an-apr-en-1965/](https://consumerfinance.gov/ask-cfpb/what-is-an-apr-en-1965/) (2026).

11. NFCC, [nfcc.org](https://nfcc.org) — 800-388-2227 (verified 2026-04-25).

12. Money Management Int'l, [mmintl.org](https://mmintl.org) — 866-889-9347 (verified 2026-04-25).

13. GreenPath, [greenpath.com](https://greenpath.com) — 800-550-1961 (verified 2026-04-25).

**READ NEXT****Book 11 — Credit Mastery**

Once the first balance hits zero, Book 11 shows you how to lift the score the snowball is healing. Average reader: 10–25 point lift in 30 days.

**READ ALSO****Book 06 — Mortgages & Loans**

Read before you consolidate or refinance. DTI math and the long-term-loan trap.

**READ AFTER****Book 02 — Investing 101**

Where the freed-up payment goes once your debts above 6% APR are gone.

14. Gal & McShane, "Can Small Victories Help Win the War?" [Northwestern Kellogg / JMR 2012, kellogg.northwestern.edu/faculty/gal/personal/docs/smallvictories.pdf](https://northwestern.edu/faculty/gal/personal/docs/smallvictories.pdf).

15. Experian, "Balance transfer fee," [experian.com/blogs/ask-experian/credit-education/credit-cards/balance-transfer-fees/](https://experian.com/blogs/ask-experian/credit-education/credit-cards/balance-transfer-fees/) (2026).

16. Equifax, [equifax.com/personal/contact-us/](https://equifax.com/personal/contact-us/) — 888-378-4329 (verified 2026-04-25).

17. TransUnion, [transunion.com/customer-support/contact-us](https://transunion.com/customer-support/contact-us) — 800-916-8800 (verified 2026-04-25).

18. Experian, [experian.com/help/](https://experian.com/help/) — 888-397-3742 (verified 2026-04-25).

19. NY Fed, Quarterly Report on Household Debt and Credit Q4 2025, [newyorkfed.org/microeconomics/hhdc](https://microeconomics/hhdc) (Feb 2026).

20. AnnualCreditReport.com, [consumerfinance.gov/ask-cfpb/how-do-i-get-a-free-copy-of-my-credit-reports-en-5/](https://consumerfinance.gov/ask-cfpb/how-do-i-get-a-free-copy-of-my-credit-reports-en-5/) — 877-322-8228 (verified 2026-04-25).

21. Chase, [chase.com](https://chase.com) — 800-432-3117 (verified 2026-04-25).

22. Capital One, [capitalone.com](https://capitalone.com) — 800-227-4825 (verified 2026-04-25).

23. American Express, [americanexpress.com](https://americanexpress.com) — 800-528-4800 (verified 2026-04-25).

24. Ramsey Solutions, "Debt Snowball vs. Avalanche," [ramseysolutions.com](https://ramseysolutions.com) (2026 update).

25. NFCC, "Consumer Financial Literacy Survey," [nfcc.org](https://nfcc.org) (2025 release).

# List it. Snowball it. Accelerate it.

Three phases. One stack. The same federal channels and non-profit counselors — used directly, free or near-free, while the for-profit settlement industry charges 20–25% for the same outcome.

List every debt on Day 1. Pay the smallest first. Roll the freed payment forward. Negotiate every APR. Repeat until the last balance reads \$0.00.

*"We didn't wait for retirement to start living."*

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Educational content only — not financial, investment, tax, or legal advice. Consult qualified professionals before making financial decisions. Individual results will vary. URLs and phone numbers verified 2026-04-25 and may change after publication.