

FAQ: What is Debt Stacking?

Debt stacking is a simple principle in which all debts are paid off in a pyramid like fashion. Example - lets say that you have three Debts:

Debts	Balance	Payment	APR%	Payoff In
Credit Card	6721.00	168.03	12.0	Mar 2036 (32 years and 7 months)
Car	13540.00	324.72	5.5	Jul 2007 (3 years and 11 months)
Home	130000.00	821.69	6.5	Aug 2033 (30 years)

Total Monthly Payment 1314.44

We want to concentrate all our efforts on the highest interest rate first, which is the Credit Card. So each month we will pay 168.03 until the card is paid off. Mean while in our example the Car would be paid off in 3 years and 11 months. So we simply take the Car payment of 324.72 and add it to the Credit Card payment to come up with a new Monthly Payment for the Credit Card of 492.75 a month. Once the credit card is paid off take the 492.75 and add it to the Home mortgage payment to come up with a new payment of 1314.44.

In our example of debt stacking above you would be Debt Free in only 15 years!!! (Including the Mortgage) And would save 85,715.61 in Interest!!! Lets take this one step further what if you could apply just 50.00 extra a month to speed the process up you would save a total of 91,989.71 in interest payments and be Debt Free in 14 years.

Now lets take the money that was going to monthly payments (1314.44) and invest it in a tax deferred account that is earning just 8% annually. You could have \$1,245,370.00 in saving for retirement. Debt Stacking really works!!! It takes a little self-control and discipline but the end results are a Financially Secure Future.

Testimonial:

"Thank you for helping me the other day and explaining the huge differences between debt consolidation and debt stacking. You have saved me from a huge mistake, and you have secured my credit standing.

Best regards

Lorraine
East Helena, Montana"