

Case Studies

Problem:

John has 3 credit cards which are all close to maxed out. He has been making the minimum payments every month and has not missed a payment. The interest (APR) he is paying is 16.99% on each card.

Card 1 Balance \$3,500

Card 2 Balance \$2,800

Card 3 Balance \$2,000

Combined credit card debt of **\$8,300**.

With interest John would have a total of= **\$9,710.17** in credit card debt

Solution:

John applied for a personal loan for the combined debt of \$8,300. He qualified for a 5 ½ year loan (66 months) at an interest rate of 8.99%.

\$746.17 (Interest) 9,046.17 (Principal + interest)

Johns' monthly payments would be **\$138**

John would save \$664 and have the debt paid off way before he would have.