



## Become Debt Free in Five Years

I know, after reading the title of this article, you are probably thinking, “There’s no way I can get out of debt completely in five years. Get outta here with that nonsense. I have bills to pay.” Well, as crazy as it might sound, it is possible. As a matter of fact, thinking this is an impossible feat is a sure way to fail. However, getting out of debt in five years will require patience, commitment, and consistency. You will have to restructure the way you pay bills, reevaluate your financial priorities, make sacrifices, and, above all, buckle down and do it now. Procrastination is no way to start your journey toward financial freedom. Read on for some pointers on becoming debt free in five years.

The first step anyone should take is consolidating any outstanding federal student loans. Visit <http://www.lawschoolloans.com/lslfederalstudentloan.php> for more details. Federal student loan consolidation is easy and fast and carries many benefits. There is no credit check required and no fees. Consolidating federal student loans will automatically give you a fixed interest rate for the life of the loan. You’ll only have one lender to pay and one monthly payment. You will be given a longer repayment term, which will lower your monthly payments. And as there is no early repayment penalty, you can send in larger payments each month to pay the loan off that much faster. Or you can use the extra money you save to pay off other debt. Read on for more on this get-out-of-debt-fast strategy.

Start by tackling the easiest debts to pay off. Mortgages and car loans and other such biggies can be put on the back burner for a while because getting the easier debts out of the way first will free up money to deal with the biggies.

So start with credit cards. What you can do is consolidate your credit card debt using balance transfer offers. See “Consolidating Debt” for more information on this. Here is a hypothetical example. Let’s say you have two cards with the following monthly payments:

Credit Card 1: \$150

Credit Card 2: \$75

The total amount you should budget for these credit cards is \$225. After making the initial payment, continue to devote \$225 to these credit cards, as you are already used to not having this money to spend frivolously. Conversely, you can pay the minimum on the lowest interest rate card or lowest balance card and funnel more of the \$225 to the card with the higher rate or balance. Once those balances are paid off, then you can use the entire \$225 to make payments on the second card. Before you know it, your credit cards will be paid off.



This same strategy can be used for the biggies. Once your credit card debt is paid off, apply that \$225 to another debt, such as a car loan or student loan payment. If your typical student loan payment is \$175, then the added \$225 will have you making a payment of \$400! Theoretically, if you send in \$400 a month towards a student loan in the amount of \$20,000, you'll have paid off the loan in four years! See, it is possible to get out of debt in five years.

Once your student loans are paid off, work on the next major debt, such as your mortgage payment. The same principle applies. The money freed up from your student loan payments can be added to your mortgage payments. Remember, you've already learned how to live without this money. Put it to good use rather than going on a shopping spree. You'll have plenty of time, and money, for that once you become debt free in five years.

The important thing to remember is you absolutely, positively must stick to any plan you develop to get yourself out of debt. A strategy is only as good as your commitment to it. Good luck!