How Much Do You Owe Work Sheet

How Much Do You Owe?

This work sheet will help you analyze your credit obligations. It is important for you to gather all of this information before you begin developing a money management plan. Do not include mortgage payments. Complete all the blanks that apply. Include all loans and credit cards.

Company	Amount Still Owed	Due Date	Months Left to Pay	Monthly Payment	*APR	Amount Past Due

Total Amount Still Owed: $ _____ *APR. Annual Percentage Rate

Note: The average family should not commit more than 15 to 20 percent of its take-home pay to pay off consumer debts. If your family is larger, you may need to keep it even lower.

To determine how much of your take-home pay goes toward consumer debt repayment, you need to calculate your consumer debt-service ratio.

$$\text{Consumer Debt} - \text{Service Ratio} = \frac{\textbf{Consumer Debt Repayment (monthly)}}{\textbf{Disposable income (monthly)}}$$

Consumer debt equals monthly repayments for all **non-mortgage** consumer debts, including home-equity credit-line loans.

Take-home pay, sometimes called net pay or disposable income, is the income available after mandatory deductions for taxes and insurance. Irregular sources of earned or unearned income, such as interest earned or overtime earnings, are not included in disposable income for these calculations.