

PETE'S SHEETS

DEBT FREE MAX

with Credit Score Focus™

 for Excel

Welcome to Pete's Sheets! Thank you for choosing this tool—a solution shaped by real struggles and victories in debt management. You now have the most sophisticated Excel tool for optimizing your credit payoff strategy right at your fingertips. To unlock its full potential, I encourage you to spend a few minutes with this guide. This isn't just about the how-tos of the tool; it's about empowering you with knowledge on debt management and credit scoring insights.

Support

Should questions arise or if you find yourself needing a helping hand, just send an [email](#) and I'll respond promptly. Your financial well-being is my priority, and I'm here to support your journey to a healthier financial life. Thank you for allowing Pete's Sheets to be part of your success story!"

Updates

I realized shortly after starting to sell on Etsy, that if I update the file in one of my listings, (like adding the Milestones sheet) Etsy will still only give you access to the original version of the file you downloaded. If you previously bought a file from me and I have updated it, **I want you to have access to the latest version.**

If you want the latest version, sign up [here](#). Real simple, if you sign up, whenever I release a new version, I will send it to you. I hate email marketing. This email list will be ONLY used when I release a new version of the sheet that you purchased.

A couple technical notes:

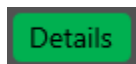
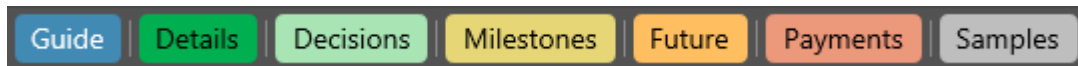
I will use "dollar" as the currency in this description, but the tool itself uses no currency symbols or references.

Each sheet is locked / protected from adjustment, except for the cells that require your input, highlighted with a light green color. If you would like to unlock any sheet, just right click the tab at the bottom and select "Unprotect Sheet" and enter "1234" as the password. There are no macros or array formulas in the tool.

Alright, let's get started...

Navigation

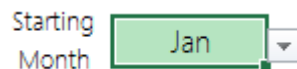
At the bottom left of this sheet, you should see some standard Excel tabs. These allow you to move to the desired sheet.



Ok, before we can get to the fun part, we have to load in your Details.

Date

Starting at the top of the sheet, in grey, is the Date section. As the basis of nearly all of the calculations on this sheet is time. The tool will use date you set and plans to begin all payments in the following month. To get started, click in either the **Month** or **Year** selector and you will notice a dropdown triangle appear on the right side of the cell.



Click this triangle to view the dropdown and select from the available options. When getting started, just use the current month and year.

Details

Next, in the blue region is a listing of the essential details of all your accounts. I'll explain each column.

For **Account**, just put in the name of the creditor or nickname you may have lovingly come up with. Where possible, use a single, short word, such as "Chase" instead of "Chase Maryland Bank of Worcestershire." Whatever works for you. If you duplicate any account names, the sheet will still function, but it will cause confusion, so you will see a red highlight and warning, "**Duplicate Names.**"

For **Balance**, **Account Limit**, **Minimum Payment**, & **APR**, put in whatever your current statement shows. Include the cents/decimals as they appear on the statement. The tool will calculate with whatever detail you provide, but for simplicity, it will usually display rounded amounts, so don't be alarmed if, for example, you type in "27.89" and the cell shows "28." Know that the calculations will be done with the precision you provided.

If you enter a minimum payment that is less than the monthly interest charge, the sheet will flag these values in red, and give you a warning, "**Payment less than Interest.**"

Note: If you have an American Express, or similar charge card, with no listed Account Limit, the rule of thumb is that the card company will use the highest balance you have ever had on the account. You may have to look back in your history to determine what that number is.

For **Payment Due Date** use the date listed on your statement. That's the easy one. For **Statement Date**, know that it can be listed in different ways but means the same thing. It is when the lender takes a snapshot of the account and reports how much money you are currently borrowing to the credit bureaus.

- Most card companies will call it "*statement date.*"
- American Express usually calls this "*closing date.*"
- Some refer to a "*Billing Period: 5/21/2023-6/20/2023*" In this case, the second date is the statement date.
- Some place a date without a label next to the "*Statement Balance.*" This is the statement date.
- Others will call it the "*Cycle Ending Date*" or "*Cycle Closing Date.*"

Statement date can be very important in improving your credit score. More on that in the Payments sheet section.

For **Type of Credit**, use the dropdown in each cell to choose one of the following:

R Revolving Credit (Credit Card)

T Term Loan (Car, Student, or Bank Loan)

This tool needs to know if the minimum payments are fixed or if they are subject to change.

Samples

For those who just want to see a demonstration of the tool, please click on the **Samples** tab, and follow the instructions there to copy and paste account samples into the tool.

Visuals

Pretty self-explanatory, account balances, monthly interest charges, and credit utilization are highlighted, by amount. Due to the number of accounts with MAX, I have limited the graphics to the highest 10 in each category.

Balances are important, and credit utilization is what makes this tool different than any other, but I need to just make a note here about the most damaging focus item for anyone's debt situation. The amount of interest you are required to pay each month. Look at it. Stare at it. They take that from you each month and they would be very happy to do it every month for the

rest of your life. I'm certain you could put that amount of money to good use, serving YOUR dreams. Let it be motivation to pay these accounts off and put this situation behind you. Follow your plan and those amounts will get smaller each month.

Rather than having any slivers of pie for small amounts, where amounts are less than 8% of the sum total, they are grouped into "Other."

Decisions

Now that the boring stuff is done, time to make the magic happen!

Decisions

In the top box of this panel is your **Total of Current Minimum Payments**. This is the bare minimum required from your creditors.

In the next box is your **Additional Available for Debts**, how much can you commit to, every month, to pay off your debts. I recommend you pick an amount you are comfortable committing to, and if you get the opportunity to pay some extra, do it. Psychologically, it has often been shown that setting achievable goals that you occasionally exceed is more beneficial than consistently failing to meet goals that are set too high.

Now for the exciting part, the **Method**. I'm going to try to keep this as simple and non-technical as possible, so I'll just say the method selector controls the most advanced debt calculation currently in existence. You have five options, and I'll explain each.

1. Smallest Balance First - "Snowball".

Snowball method is named after the metaphor of rolling a snowball down a hill. If the snow is the right consistency, it can build momentum, gather the snow it rolls over, and grow to a quite a large size. The snowball method is this, make minimum payments on all accounts and use any additional money available for debts to pay off the smallest account you have first, (the small starting "snowball"). Then use the additional money available for debts, (now a larger amount because you are no longer making payments on the account you just paid off) and pay the next smallest account. Repeat this on the next smallest account until all your debts are paid off. The idea is about starting small and building momentum.

There is a psychological part to this that needs mentioning. This is an exercise in habit changing, which requires a level of commitment and may be difficult. Subconsciously, our tendency is to resist any big change, even when we consciously KNOW it's what we want to do. Fortunately, there is something we can do about it. When you pay off that smallest account, you will feel a sense of accomplishment. This is the natural high your brain feels when dopamine is released. Each time this happens, your brain subconsciously associates "paying off debts" with "feeling good" and a positive reinforcement is created. This can reduce that natural resistance to change.

2. Highest APR First - "Avalanche".

This method is to pay off the account first that has the highest interest rate or Annual Percentage Rate (APR). This method is about the bottom line, the simple math of the issue. Mathematically, across all your accounts, each individual dollar you have borrowed is being charged interest. So regardless of the size of the account, paying off the dollars that are being charged more in interest is the fastest way to get them all paid off.

Considering the psychological side of things, this method isn't focused on providing the early accomplishment that the snowball method provides. This method might have you trying to pay off your largest account first, and this can add extra difficulty. In the end, the priority is that you succeed. For this reason, even though avalanche method is the quickest and most cost saving method, it may not be the best choice for you.

3. Credit Score Focus™.

Now, for my addition to the discussion. I realized in looking at the other debt payoff calculators out there, and in having gone through this myself, that there was an important element that no one was considering, credit score. This method focuses on improving your credit score, by focusing on the credit utilization of all revolving credit accounts.

When you use snowball or avalanche method, you are focused on paying off an individual account. This may be a cool goal to reach, and you will indeed feel good about paying off an account. You may even see a small increase in your credit score, but it is ABSOLUTELY not the most effective way to use that same money and see the most immediate increase in your score. In the end, you are putting a personal achievement above taking the most beneficial action for your credit, and likely your financial health. **Here are the two main reasons.**

Reason 1, if you need any credit or credit scoring any time soon, your score matters. If you plan on getting a loan this year, next year, or at any time in the near future, your credit score improving just 25 or more points can be the difference between hundreds or thousands of dollars in interest fees over the life of the loan. Getting a mortgage could be tens of thousands of dollars. And don't forget, depending on your credit score, those 25 points may be the difference between getting or not getting the loan, car, house, or rental, at all.

Reason 2, another real "snowball" type of momentum is what happens when your score starts to improve. Creditors can start to offer more or better credit. They may offer an increase in your available balance, which further improves your score. You may get offers for other credit options, such as balance transfer into a different account with lower interest rates. These are all ways to help improve your credit and actually put more of your money into your pocket.

Getting technical, but not too technical: An issue with dealing with credit score is the notion of being exact. Major credit score websites or apps will tell you, they are only giving you their calculation of your credit score. This score will likely not be the same score as the one obtained by the lender who actually runs your credit as part of an application. This is because the exact

algorithm used to create any score, is a tightly held, industry secret. If they were to release their algorithm to the public, they would quickly be out of business. At the most, they will give the big picture of how they figure a credit score.

I have taken the available broad strokes, provided by the reporting agencies, and I have combined these calculations with numerous real-world charts & calculations, made by pros who do credit counseling and review credit scores for a living. Together, these allow for a basic and simplified estimation of how your credit utilization will affect your credit score. Essentially, when all of your revolving credit accounts are reduced below the following thresholds, you can expect the listed increase in your credit score.

70% utilization - 25 points

50% utilization - 25 points

30% utilization - 15 points

10% utilization - 25 points

Remember, credit utilization is a calculation for your revolving credit. If you have designated in the Details panel that any of your accounts are Term Loans (Car, Student, or Bank Loans), they will not affect this calculation.

Instead of chasing after one account at a time, Credit Score Focus™ looks at each of the major thresholds of credit utilization and ranks your accounts each month based on their amount above that threshold. Your additional payment amount is used on the account that requires the most each month, until all accounts are below the nearest credit utilization threshold. After you cross the threshold, the calculation then is focused on bringing all accounts below the next threshold, until all your accounts are below 10% credit utilization. Then, only after maxing out your potential credit worthiness, the calculation focuses on the final threshold of paying off your accounts.

Now, remember the primarily benefit of the snowball method, the psychological result of positive reinforcement? This method does one better. Instead of just chasing a milestone that is significant only to you, this method will have you chasing a milestone that will actually improve your credit score at each level. It is significant to you, those you do business with and those you potentially are going to do business with.

To take this to the next level, I added the Milestones sheet, which shows, in chronological order, each milestone that each account crosses, from start to finish. See more on this [below](#).

4. Largest Balance First.

This is an option I have included only because I saw it in other tools. I consider it a novelty that you may click on just to see how it affects your outcomes.

5. Custom Priority.

This method is self-explanatory. You may have an account that simply needs to be paid first and may temporarily want to use this method to plan that out. Perhaps an account that has no interest for the next 6 months, but then will go to some ridiculously high interest rate. By all means, use this setting to get that account squared away, and then change your options at some point in the future. You can use any number from 1-25 in the Custom Priority column, you can leave the cells empty and you can have duplicate numbers if you want. The calculation will make logical sense out of your selections and in the case of an empty cell or a tie in the ranking, it will use the order you placed the accounts on the sheet. Remember, the custom priority numbers don't matter unless this method is selected.

Adjustable Minimum Payment. This switch allows the calculator to adjust your planned minimum payments as the balance is paid down (to a low limit of 30.00). This is done by using the accounts current minimum payment rate and applying it to the balance you are planning to have in future months.

All the debt payment tools I've seen take the minimum payments you list currently and use those values to calculate over the entire payment timeline. This works, and it's a simpler calculation, but it's not ideal if you are trying to focus your money into particular accounts. Assuming you don't have a very small balance, your revolving credit accounts adjust your minimum payment based on the balance owed and the amount of interest they are charging. The minimum payment will be more than the interest fees they charged you with in a given month, but not by much, usually 2-3% of your balance.

An example:

Let's say you have an account with a 10,000 balance.

Current minimum payment is 300, which comes out to a 3% minimum payment rate.

When you started the process, you set aside 300 dollars for the minimum payment of this account.

When you pay this down to a 5,000 balance, your minimum payment will be lower, likely 150.

This will give you the freedom to put the remaining 150 dollars, in the account of your choice.

Putting that 150 towards the account that best achieves your goal is a better use of that 150.

For our example, if you utilize the avalanche method, where saving interest money is a key goal, turning on this option will show a further savings in total interest paid, (in the bottom right of the Outcome panel).

Leaving this in the off position, the tool will calculate using the minimum payments you currently have, until the account is paid off.

Note: whether off or on, the tool will not adjust any Term Loans you have designated in the Type of Credit column.

Next

This panel simply displays the date of your next credit score improving milestone and the result you should expect. Please observe the change in this panel when you change your method in the Decisions panel, specifically from Credit Score Focus to any other method in the selector.

Outcome

This panel shows the effects of your Decision choices over the course of your payoff timeline.

On the left side are **Credit Utilization statistics**. Highlighted in white are the quickest accounts to cross each of the thresholds. The darker colored cells highlight the slower accounts to cross the thresholds, with the dates each of your accounts cross the thresholds and a total of months.

On the right side are **Account Payoff statistics**. Again, in white are the accounts which are paid off first, with darker cells highlighting the later accounts to be paid off. At the bottom of the Paid Off row is the final payoff date for all accounts and the month count for that final milestone.

In the middle row is the listing of how many months it will take for each account to be paid off. In the final row, the listing of interest charges paid over the total of the payoff timeline, with a total at the bottom.

Milestones

As an additional help to your positive reinforcement, I've added a dedicated sheet that lists all the individual milestones for this payoff journey, which will highlight each time any account crosses one of the credit utilization thresholds or is paid off. It can be up to 130 milestones, and each one of them, individually, should cause a small improvement to your credit score.

Future

This sheet is designed to provide you with a view of your future financial life. You can select any date in the future of your payoff timeline and see what that looks like. I hope you find it as motivational as I did.

Date. You can select any month, and any year that falls in the payoff timeline. If you happen to select a month before the first month in your timeline, the tool will automatically correct this for you.

Details. This is a reduced set of primary details for your accounts, as they are calculated to be in the future. The accounts are removed from view if they are paid off before the date selected, and they are listed in order of balance total.

Next & Visuals. These are the same as in the Main sheet, just from the perspective of the future month.

Payments

I designed this for both those who prefer computer use and those who would rather print something and put pen to paper. This shows your planned payment amount for the entire year, as selected in the year selector.

The accounts are listed in order of due date, and the timeline is split in half to make it easier to track across the page.

If you prefer computer use, you can use the dropdown style checkbox to X each payment. When checked, each amount will get a strikethrough line, and once all amounts are checked in a given month, the lower box will automatically check in green, with the upper date reference also getting a strikethrough line.

Jun 29		Jun 29	
334	☐	334	X
195	☐	195	X
137	☐	137	X
535	☐	535	X
70	☐	70	X
48	☐	48	X
			☐
1319	[]	1319	X

Note: If you "mark-up" a given year and switch to a different year, the marks (Xs) will remain. To remove them, highlight the section with Xs and press the delete key. As a visual reminder that you have adjusted the sheet or not, a non-adjusted sheet will display (Blank) by the date.

Year 2029 (Blank)

A sheet adjusted in any way will display a bold (Adjusted).

Year 2029 **(Adjusted)**

When to make your payments? There are two primary dates on each credit card statement you need to be very familiar with. Your payment due date, of course, but also your lesser-known statement closing date or statement date. The statement date is a day each month that your lender takes a snapshot of your balance (and credit utilization), and shares that with the credit bureaus. So, always follow the following rules:

Rule 1. At the latest, you must pay your minimum payment by the due date.

Rule 2. Whenever possible, make sure any extra money you are paying to the card is paid at least a day before your statement date.

A note about your **spending power**. The money you spend every month is your spending power. This is money you are moving around. Groceries, gas, and many other things you spend money on every month do actually give you power and can be used to your advantage. For example, let's say you know that you are a few days from spending \$200 on something. The money for this purchase is currently in your bank account. You could just use your debt card, but in looking at your payments sheet, you see that one of your cards has a statement date coming up in a couple days. Using your spending power, you can make an extra \$200 payment into this account. If you make the payment before the statement date, and wait until a day or two after the statement date before using that money, your creditor will report that your credit utilization has gone down.

This may seem like no big deal, but we spend a growing amount of money each month on necessities. Why not get the most out of that spending. I see 4 reasons.

1. Using a debt card gives scammers and thieves more access to your bank account and is less protected than a credit card.
2. Using a debt card usually gives you no benefits, points or cash back, like a credit card will.
3. As mentioned, shuffling your money around the statement date can improve your credit score.
4. The biggest reason is your focus. A big reason people get into debt is that they are simply not paying attention to what they are doing. Looking regularly at a debt tracker like this one, shuffling money around based on statement dates, these actions may seem insignificant, like some kind of game, but what is actually happening? You are aware of your balances and your credit utilization. You are paying attention. In my opinion, that is the most important benefit of any debt reduction method.

Rule 3. Remember, life happens! This tool is great, and it can give you an exact payment plan that goes out 25 years, but it is worthless if you don't give it accurate information. Specifically, if you start charging more to your cards and don't come back and update it. What I recommend, is that you save your original copy, and just save a new version if you need to update the values. This allows you to go back and see what you originally planned and where you actually wound up.

There is also another thing to look for as you move forward on your journey. Sometimes, when you start paying down your balances, those lenders may lower your credit limit. If they do this, it will increase your credit utilization, and will be a setback to your credit score improvement. This is only temporary. Just update your information in the tool and press forward. As you progress, and your credit score does improve, lenders can increase your available credit (sometimes without even requesting it), and this of course, lowers your credit utilization and increases your score. Either way, just remember to check your current statements, and update the tool as necessary.

Lastly, I've also seen many debt payoff trackers that include areas for you to write out and keep track of payments as they are made. In some cases, some calculations are made using this running "payment ledger." This struck me as very problematic, simply because it could lead you to relying on a sheet that isn't tied into your actual account. Again, life happens. There could be an automatic charge made on one of your accounts. You may have had to use the card for an emergency. And let's not forget, we all should be regularly reviewing our account statements to prevent any kind of fraudulent charges. Whatever the reason, the best "ledger" of account transactions, is the statement from the card company. Please review that on a regular basis, so you don't have any surprises. Again, don't hesitate to update the tool, and recalculate.

I hope you enjoy this tool and that it puts more real money back into YOUR pocket.

The requisite note for any litigious users:

Disclaimer: This Excel template is provided 'as is' and for informational purposes only. It is not intended as financial advice, investment guidance, or an offer or solicitation for the purchase or sale of any financial instrument. The accuracy, completeness, or timeliness of the information contained in this template is not guaranteed. Users should seek the advice of qualified financial professionals before making any financial decisions based on this template. Pete's Sheets will not be liable for any errors, omissions, or losses, injuries, or damages arising from its display or use.

Help & Feedback

If you have read this guide and have any issues getting the tool to work for you, again, please don't hesitate to reach out to me on Etsy, or email me at the link below. Also, please let me know if you have any suggestions to improve this tool or even make another tool entirely. If your suggestion winds up becoming an improvement or a new product, you'll be the first one I send it to.

Thanks,

Pete

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