

Getting Out of Credit Card Debt

Do you dread opening the mailbox because of credit card bills? You're not alone. Oklahoma CPAs offer advice for getting out — and staying out — of credit card debt.

- 1. Add it up.** Make a list of how much you owe and to whom. Include balance, interest rate and minimum payments.
- 2. Start with the highest APR and pay more than the minimum.** Target balances with the highest annual percentage rates. Once you pay off a credit card, apply the money you were paying on it to your other credit card balances and pay above the minimum as often as you can.
- 3. Get rid of credit cards and use debit cards.** Keep only two credit cards: one to charge purchases when necessary and the other as a reserve. Use a debit card or cash on most purchases — there's no bill at the end of the month and no interest charges.
- 4. Restructure your debt.** Consider switching your credit card balances to a card with a lower interest rate or call your current issuer and ask for better terms. Many credit card companies will adjust your rate downward rather than lose you as a customer.
- 5. Protect your credit history.** Make all of your loan and credit card payments on time. If you can't, contact your creditor to explain the circumstances. Most creditors are willing to work with you.
- 6. Set (and stick to) a budget.** Why climb out of debt to wind up mired in financial stress all over again? Learn your lesson and set a spending plan to keep you in check.

It takes time and hard work to pay off credit card debt, but it's worth it in the end.

Get more money tips and a free CPA referral and 30-minute consultation from the Oklahoma Society of Certified Public Accountants on the Consumer Corner at www.oscpa.com.