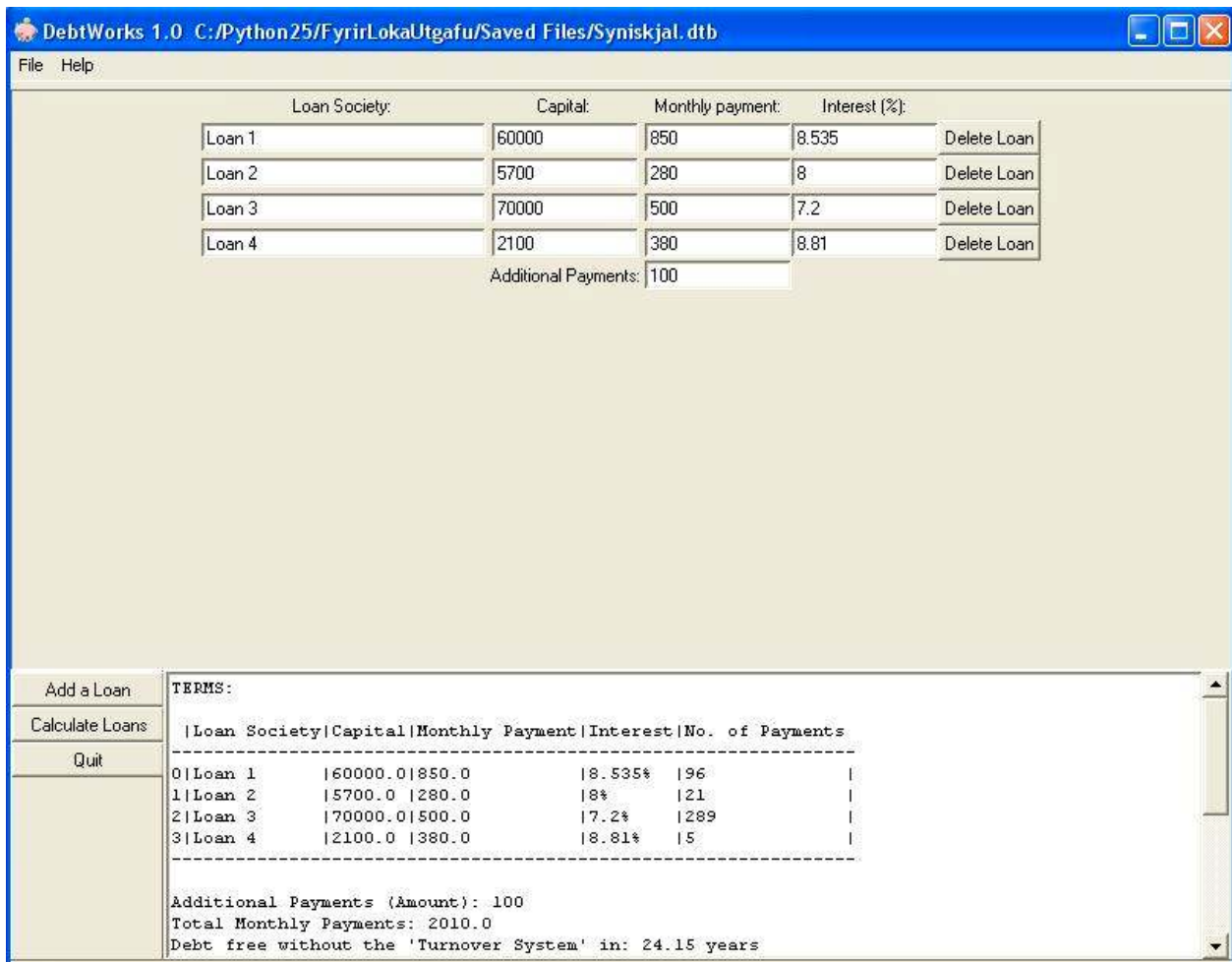


## DebtWorks:

The Program is designed to seek the fastest way to repay a number of loans the user might have. The theory behind the program is that when the user has finished repaying one loan the user should in fact take the monthly payment of the refunded loan and add it to the monthly payment of the next loan in line, so instead of actually using the extra money to buy something beautiful for the children or go on a trip to Hawaii, you would concentrate all the money on working down those loans. Many people just don't realize how much effect this might have on their long term financial situation, when in fact it can make a huge difference on both the time it takes to repay it and the total money spent in the process. This is best explained with an example:

### DebtWorks directions:

We have included in the DebtWorks package an example loan database file which is located in the "Saved Files" directory in the programs root directory (the directory where the program is installed). Please open this file with the program now. When it's been opened the program will look something like this:



What we see here is the basic file within the program. The database has 4 rows and 4 columns, each row is a loan, each column is different and has a different meaning. First of all is the "Loan Society" column which is basically an entry for a name or something to identify your loans. Next up is the "Capital" column which is the amount of the loan (what you have yet to pay). Then there's the "Monthly Payment" column that defines how much you pay monthly for each individual loan. At the bottom of that column is an entry field named "Additional Payments" which indicates how much extra money you wish to spend monthly on your

downpayments in order to become debt free quicker. The final column is **“Interest”**, where you indicate how high the loan interests are for each individual loan.

After you have taken the time to carefully look at the information in the database push the **“Calculate Loans”** button at the bottom left corner of the window. Information will then appear in the text area at the bottom of your window. The top of the text area will look like this:

TERMS:

	Loan Society	Capital	Monthly Payment	Interest	No. of Payments
1	Loan 1	160000.0	1850.0	18.535%	196
2	Loan 2	15700.0	280.0	18%	121
3	Loan 3	170000.0	1500.0	17.2%	1289
4	Loan 4	12100.0	380.0	18.81%	15

Additional Payments (Amount): 100  
 Total Monthly Payments: 2010.0  
 Debt free without the 'Turnover System' in: 24.15 years

The top half of this window simply shows the terms the user put into the database. New information includes the total amount of money spent on loans monthly (**“Total Monthly Payment”**). In addition to that, the window will display the number of payments for each loan (**“No. of Payments”**) and finally, the amount of time it’ll take to become debt free if your efforts to become debt free remain the same (**“Debt free without the ‘Turnover System’”**).

As you scroll down to the lower half of the window, it will look something like this:

RESULTS:

Payment Order	Loan Society	Remainder	Turnover Payment	No. of Turn Pay	No. of Payments
1	Loan 4	2100	1480.0	15	15
2	Loan 2	14387	1760.0	16	111
3	Loan 1	154896	11610.0	139	150
4	Loan 3	164584	12110.0	133	183

Debt free with the 'Turnover System' in: 6.91 years and you save: 60357

Here we have the most significant information this program has to offer, your personal counsel on how to become debt free as soon as possible. The DebtWorks program is based on an idea we call the **“Turnover System”**. That basically means that once you’ve finished your downpayments on one loan, your monthly payment for that loan is transferred to the next loan, thus enabling you to become debt free in the least amount of time possible, and saving a lot of money you otherwise would’ve been paying your bank in interest. The table displayed above has 6 columns and a row for each loan:

- The **“Payment Order”** explains in what order the loans should be paid to get the fastest results.
- The **“Loan Society”** column is, as explained before, the name you use to identify your loans. As you may have noticed the order here is completely different from the original order. This is because the program has rearranged the order of the loans according to the **payment order**.

- The “**Remainder**” column displays the capital (debt owed) for each loan when **turnover payments** (see below) commence for that loan. **Example:** The remainder of Loan 4 is 2100, the same as the original capital. This is simply because Loan 4 is our first priority. Once Loan 4 has been eliminated, the monthly payment for Loan 4 will be transferred to Loan 2 (which is next in line according to the **payment order**). At that point in time, the remainder (debt still owed) of Loan 4 will be 4387.
- The “**Turnover Payment**” column shows how much the monthly payment for each particular loan is when the monthly payment from the previous loan has been added to it. **Example:** According to the values entered at the start of the program, the monthly payment on Loan 4 is 380. As Loan 4 is number 1 according to our **payment order**, all additional monthly payments (in this case the **additional payment** is 100) will be devoted to Loan 4. Therefore, the **turnover payment** for Loan 4 is a total of 480 (380 + 100). When Loan 4 has been eliminated, the **turnover payment** for Loan 2 (which is next in line) will be 280 (original monthly payment for Loan 2) + 480 (turnover payment originally devoted to Loan 4) = 760. When Loan 2 has been eliminated, the turnover payment for Loan 1 will be 1610 (760 + 850) and so on. **Please note: The monthly payment for each loan stays the same as originally indicated at the start of the program, until that individual loan becomes a priority.**
- The “**No. of Turn Pay**” simply indicates the number of turnover payments, or the total number of payments needed to repay that loan from the time it becomes a priority.
- The “**No. of Payments**” column shows the total number of monthly payments it will take to repay each of the loans with the **turnover system**.

At the very bottom of the window there is a line that shows the time it takes in years to repay all the loans with the **turnover system** and how much money is saved using this method.

If you have any further questions please contact us at [service@financialdebthelptips.com](mailto:service@financialdebthelptips.com).