

How to Destroy Your Debts

A Step-by-step guide to:

- Reorganising your debt from credit cards to mortgages
- Cutting spending painlessly
- Adding extra income
- Re-mortgaging or selling your house
- Handling finance firms
- Avoiding insolvency
- Bankruptcy

Samuel Blankson

How To Destroy Your Debts

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Dedications

To my wife Uju, for never giving up hope on the dream. Thank you for your patience and belief in me as I learned the wisdom in this book.

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Introduction

If you are like me, you hate being in debt! Every month you see your money running out before the end of the month. You scrape around for money for fuel and groceries, before finally turning to your credit cards, all the time hoping they hold sufficient funds to see you through another month.

If you want to get out of this cycle of worry over debt, this book may be your answer. I say, “May,” because although this book will definitely give you techniques for controlling, managing, and even getting out of debt altogether, it will not do the work for you. That is up to you.

This book will reveal to you how to destroy your debts, including your mortgage. It will also make clear to you how to increase your income, and build confidence in your financial future.

However, bear in mind that all financial advice given here can only be a guide and may not be suitable for everyone. Please seek independent financial advice from a qualified professional before you apply any of the techniques or strategies.

Your journey to destroying your debts begins here.

How To Destroy Your Debts

All figures in this book were current at the time of writing.

Chapter 1

IDENTIFY YOUR DEBT

- **Introduction to debt**
- **If you can measure it, you can control it**

Identify Your Debt

Introduction to debt

Sometimes debt can feel like you are carrying a rucksack full of rocks on your back, with extra rocks being added every month. If you feel that way now, do not despair. You can start to discard a few rocks almost immediately with some simple manoeuvres that will launch you on the path, and help you commit to winning your battle against debt.

No one teaches us how to control our finances, and we never seek to learn until it is too late. We repeat mistakes our parents made with money, or worse, we discover new ones of our own.

We struggle to tame the wild beast of debt, only to find it growing more heads. So how do we in adulthood, faced with this multi-headed beast, spewing overdraft charges and embarrassing credit card rejection at long shopping queues, remedy this?

How To Destroy Your Debts

If you can measure it you can control it

One of the best ways to destroy any enemy is to study its nature, where it came from, how it survives, and on what it thrives. Through this, you can uncover its weaknesses and better plan your attack for its destruction. This is how we are going to approach your debt.

First, you need to see it for what it really is. This means listing all the people and organisations, you are indebted to, and the amount you owe to each of them. Whether you do this by hand or by computer, you need the results on paper. This is your first weapon.

Just listing each debt is not enough. To fully comprehend the complete picture of your accumulated debt; you need to also “see” its personality and characteristics. This means listing the sum owed, the date borrowed, the reason(s) for the borrowing, the interest rate, the loan period, the monthly payments and any special conditions like penalties for early redemption or lump sum injections. This process will also reveal your debt creation pattern(s), or in other words, how you ended up being in debt in the first place.

So stop reading right now, get a pen and paper, and dig out all your loan documents, from handwritten IOUs, to loan and financial statements. Create eight columns on the sheet of paper, and label them as in Table 1: List of Debts.