



4 TIPS FOR MANAGING YOUR DEBTS

1

Understand the types of your debt

Secured Debt: *backed by collateral*

- Home Mortgages
- Car loans

Unsecured Debt: *no collateral backing*

- Credit card loans
- Student loans
- Medical bills

2

Understand the priorities

- Prioritize the debts that will have the most serious consequences if you don't pay them.
- In general, secured debts have higher priorities than unsecured debts.
- Evaluate the debts based on the interest rate or account balance.

3

Always pay on time

- Always make your loan payments on time and pay at least the minimum amount due.
- This helps you to pay down debt faster, save on interest expenses, and may improve your credit score.

4

Monitor your credit regularly

- Review your credit reports regularly to ensure they are accurate.
- Always know the balances, interest rates, and terms of your loans.
- Know your credit limits: keep your utilization ratio lower than 30%. (Current credit balance/Total credit limit)

Questions to ask yourself:

- Do you have trouble managing your debts?
- What kind of debts do you have?
- Do you know which debt you should pay off first?
- Do you pay your loans on time?
- Do you regularly check your credit reports?
- Do you know your credit limits?

