

# Pro Rata Debt List

*The best way to beat debt is with a calculated formula! Go!*

**“But I can’t pay the minimum payments!” It’s okay. We have a plan for that.**

“Pro rata” means “fair share.” Use this form to figure out what percentage of your income each creditor represents, and then send their payment along with a copy of this form and your budget every month—even if they say they won’t accept it.

## Step 1

Subtract Necessity Expense (B) from Household Income (A). That gives you your Disposable Income (C). That’s how much money you have to pay toward debt after you’ve covered all your necessities.

|   |                       |                      |
|---|-----------------------|----------------------|
| A | → Household Income    | <input type="text"/> |
| B | → Necessity Expense — | <input type="text"/> |
| C | → Disposable Income = | <input type="text"/> |

## Step 2

Write in your Total Debt (D). Then collect all your bills and add up the grand total of all your monthly minimum payments. Write that in Total Min. Payments (E). If your Total Min. Payments figure is higher than your Disposable Income (C) figure, you need to use the Pro Rata Debt List.

|   |                       |                      |
|---|-----------------------|----------------------|
| D | → Total Debt          | <input type="text"/> |
| E | → Total Min. Payments | <input type="text"/> |

| ITEM | PAYOFF | ÷ | TOTAL DEBT | = | PERCENT | × | DISP. INC. | = | NEW PMT. |
|------|--------|---|------------|---|---------|---|------------|---|----------|
| F    | G      |   | H          |   | I       |   | J          |   | K        |

## Step 3

List each debt in the Item (F) column and write the total debt payoff amount in the Payoff (G) column. Go ahead and write in the Total Debt (H) and Disposable Income—or Disp. Inc. (J)—amounts from the top of the form too.

## Step 4

On each line, divide the Payoff (G) by the Total Debt (H) to get the Percent (I). That figure shows you each creditor’s fair share of your available income.

## Step 5

Multiply the Percent (I) by your total disposable income in the Disp. Inc. (J) column. Write that in the New Pmt. (K) column. That’s what you should send to that specific creditor. Repeat that math for every item on the list to calculate your pro rata payments for each one.

# Pro Rata Debt List

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Household Income

Necessity Expense —

Disposable Income =

Total Debt

Total Min. Payments

Don't include consumer debt payments

Add up the total debt column & enter total here

- Add up all your minimum payments & enter here

Use the formula below  
to find your new payment