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.
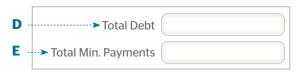
Step 1

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

B ----→ Necessity Expense —

C ----→ Disposable Income =

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

E ----→ Total Min. Payments

ITEM	PAYOFF	÷	TOTAL DEBT	=	PERCENT	X	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.

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Household Income

Necessity Expense —

Disposable Income =

Don't include consumer debt payments

Total Debt

Total Min. 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

ITEM	PAYOFF ÷	TOTAL DEBT =	PERCENT x	DISP. INC. =	NEW PMT.