

WHAT COMES NEXT

Three paths forward — choose the one that fits your situation

PATH 1	PATH 2	PATH 3
DIY Payoff	Consolidation Review	Professional Debt Resolution
DTI under 30%, payoff under 5 years, payments sustainable	Good credit, math improves with lower rate, discipline to avoid re-accumulating	DTI over 40%, payoff over 7 years, accounts in collections or legal action

The goal isn't to do everything yourself. The goal is to get to the best outcome. Let the math — not pride or fear — guide your decision.

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PATH 1

DIY Payoff

Continue managing your debt independently

This Path May Be Right For You If:

- Your debt-to-income ratio is under 30%
- Your realistic payoff timeline is under 5 years
- You can sustain your payments without constant strain
- You have 0–2 escalation triggers
- Your accounts are still with original creditors (not in collections)
- You've seen progress after working the Stabilization Sequence

What This Path Looks Like

You continue using the strategies in this plan:

- Follow your Pressure Zone Playbook
- Use the Creditor Call Scripts to maintain hardship programs
- Apply avalanche or snowball method to attack debt strategically
- Track progress monthly with your Debt Snapshot
- Reassess every 90 days to make sure you're still on track

Keys to Success on This Path

Consistency over intensity

Steady progress beats burnout. Small wins compound.

Build a small emergency buffer

So setbacks don't derail you. \$500–\$1K before aggressive payoff.

Don't take on new debt

While paying off existing debt. Every new charge resets your progress.

Celebrate milestones

Each account paid off is a real win. Acknowledge it.

When to Reconsider

If after 6 months of focused effort your balances aren't meaningfully decreasing, or if new escalation triggers appear, revisit this guide and consider whether a different path makes more sense.

YOUR NEXT STEP

Return to your Stabilization Sequence and continue working the plan. Set a calendar reminder for 90 days to reassess progress.

This Path May Be Right For You If:

- Your credit score is still fair to good (typically 650+)
- The math actually improves with a lower interest rate
- You have the discipline to not run up cards again after consolidating
- You're looking for one payment instead of many
- Your accounts are still in good standing or only slightly behind

Consolidation Options to Consider**Balance Transfer Card**

- 0% intro APR for 12–21 months (typically)
- Usually requires good credit (700+)
- Transfer fees typically 3–5% of balance
- Must pay off before promo period ends or rates spike

Personal Consolidation Loan

- Fixed rate, fixed payment, fixed timeline
- Rates vary widely based on credit (6% to 36%)
- Only helps if rate is significantly lower than current debt
- Creates one payment instead of many

Home Equity Options (HELOC / Home Equity Loan)

- Typically lower rates because secured by home
- Interest may be tax-deductible

- RISK: You're putting your home on the line for unsecured debt
- Only consider if you're certain you can make payments

The Consolidation Test

Before consolidating, answer these questions honestly:

- Will my total monthly payment actually decrease?
- Will I pay less in total interest over the life of the loan?
- Can I commit to not using the credit cards I'm paying off?
- What happens if I can't pay off the balance transfer before the promo ends?

Consolidation only works if it actually improves the math AND you change the behavior that created the debt. Otherwise, you'll end up with the consolidation loan AND new credit card balances.

YOUR NEXT STEP

Compare consolidation offers using online tools or by contacting your bank or credit union. Run the numbers before committing. If the math doesn't clearly improve, this path may not help.

This Path May Be Right For You If:

- Your debt-to-income ratio exceeds 40%
- Your realistic payoff timeline exceeds 7 years
- You have 6+ escalation triggers
- Accounts have been charged off or sent to collections
- You're facing legal action (lawsuits, garnishment threats)
- DIY efforts haven't produced meaningful progress
- The stress is affecting your health or relationships

What Professional Debt Resolution Includes

Debt Settlement

- Negotiating with creditors to accept less than the full balance
- Typically works best for accounts already in collections
- May resolve debt for 40–60% of balance (results vary)
- Has tax implications (forgiven debt may be taxable income)
- Professionals handle negotiations and protect you from common mistakes

Debt Management Plans (through nonprofit credit counseling)

- Counseling agency negotiates lower rates with creditors
- You make one payment to agency, they distribute to creditors
- Typically 3–5 year programs
- Lower cost than settlement, but you pay back full balance

Bankruptcy Review

- Legal process that can discharge or restructure debt
- Chapter 7: Liquidation (discharge most unsecured debt)
- Chapter 13: Repayment plan (3–5 years)
- Has significant credit and legal implications
- Requires consultation with bankruptcy attorney

What to Expect from a Free Consultation

A legitimate debt resolution consultation should include:

- Review of your complete financial situation
- Explanation of all options available (not just what they sell)
- Honest assessment of whether their services make sense for you
- Clear explanation of fees, timeline, and process
- No pressure to sign up immediately

What to Bring to a Consultation

✓ Your completed Debt Snapshot	Shows your full picture — balances, ratios, payment timeline
✓ Your Escalation Triggers assessment	Documents the specific indicators that brought you here
✓ Recent statements from all creditors	Current balances, interest rates, account status
✓ Collection letters or legal notices	Any formal communications you've received
✓ Proof of income	Recent pay stubs or most recent tax return
✓ Your list of questions	Write them down in advance — don't rely on memory

YOUR NEXT STEP	Schedule a free debt resolution consultation. This is not a commitment — it's an opportunity to understand your options with full information. Bring your Debt Snapshot and be prepared to ask questions.
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Not Sure Which Path?

If you're between paths or genuinely unsure, use this framework:

Start with Path 1 (DIY) If:

- Your numbers are borderline
- You haven't yet tried the full Stabilization Sequence
- You want to see what you can accomplish on your own first

Give it 90 days of focused effort. If progress stalls, revisit.

Skip to Path 3 Consultation If:

- You're facing active legal action
- Accounts are already in collections
- The math clearly doesn't work for DIY
- You've already tried DIY for 6+ months without progress

A free consultation costs nothing and gives you information to make a better decision.

Consider Path 2 (Consolidation) If:

- Your credit is still in decent shape
- You're currently paying high interest rates
- You have the discipline to not re-accumulate debt

Run the numbers before committing. Consolidation only helps if the math actually improves.

When in doubt, more information is better. A free consultation (Path 3) can clarify your options even if you ultimately choose a different path.

FINAL THOUGHTS

You've Done the Hard Work.

You've replaced anxiety with clarity. You've stopped avoiding and started engaging. You've moved from panic to strategy.

Whatever path you choose next, you're making that choice from a position of understanding rather than fear. That's progress — real progress — regardless of which direction you go.

There's no shame in needing help. The strongest people know when to ask for it.

The goal is the best outcome, not proving you can do it alone.

Debt is a math problem. Let the math guide your decisions.

Your worth is not determined by your debt. This situation does not define you.

You've got this.

Stabilization earns the right to talk about resolution. You've done the stabilization work. Now choose your resolution path with confidence.

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