

LEMMA STRATEGY GROUP

THE PRESSURE ZONE PLAYBOOK

Your personalized strategy based on where you are right now

GO TO YOUR ZONE

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Don't know your zone yet? Complete the Debt Pressure Quiz at debtpressureaudit.com to find out which section applies to you.

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Each zone is self-contained. Go directly to your zone and work through it fully before reading the others. The strategies are specific to where you are right now.

ZONE A

MANAGEABLE

You have options now that won't be available later. Use them.

What's Happening

Current on payments, but the pressure is building. The math works — for now.

The Risk

Staying here too long means losing leverage and paying more interest than necessary.

Your Advantage

You can access hardship programs and rate reductions while still current.

The Goal

Act before it gets urgent. The options available now won't be available later.

Your quiz result placed you in Zone A. Start on this section and work through it before reading the others.

ZONE A

Understanding Your Zone

What's Happening Here

You're current on payments — or close to it. The bills get paid, but it's tight. You might be living paycheck to paycheck, watching the balances barely move, or feeling like you're one unexpected expense away from trouble.

The math still works, but it's not comfortable. And somewhere in the back of your mind, you know this can't go on forever.

How People Get Here

Usually gradually. A few expenses hit at once. Income dipped temporarily. A medical bill, a car repair, a period of unemployment. Or just years of minimum payments that never seemed to make a dent. You didn't do anything dramatic — it just accumulated.





The Psychology of This Zone

This zone is deceptive because it doesn't feel like a crisis. You're managing. But that's exactly why people stay here too long — they wait for it to become urgent before they act, and by then they've lost leverage.

The danger isn't the debt itself. It's the slow bleed of interest, the mental weight of juggling, and the opportunities you're missing while treading water.



What Doesn't Work in Zone A

These strategies feel logical but often backfire in this zone:

-  **Minimum payments and hope**
At 20%+ interest, minimum payments barely touch principal. A \$10,000 balance at 22% with \$200 minimums takes 9+ years to pay off and costs over \$12,000 in interest. You're not making progress — you're renting the debt.
-  **Balance transfers without a payoff plan**
Moving debt to a 0% card feels like progress. But if you don't pay it off before the promo ends, you're back where you started — often worse, because deferred interest can hit all at once. Balance transfers are tools, not solutions.
-  **Waiting until you're behind to ask for help**
Most people think you need to be in trouble to qualify for hardship programs. The opposite is true. Creditors offer better terms to proactive customers. Once you're behind, your leverage drops and your options shrink.
-  **Treating all debts equally**
Paying every creditor the same amount feels fair, but it ignores math. Some debts cost more. Some have worse consequences if missed. Strategic allocation beats equal distribution.

What Actually Works in Zone A

These strategies are ranked by impact. Start at the top.

-  **Call creditors before you need to**
Request rate reductions, hardship programs, or payment adjustments while you're still in good standing. You'll get better offers than someone who's already behind. A 15-minute call can save thousands in interest.
-  **Attack highest-interest debt first (Avalanche Method)**
List your debts by interest rate. Pay minimums on everything, then throw every extra dollar at the highest-rate debt. When it's gone, roll that payment to the next highest. This saves the most money over time.



Build a small buffer before aggressive payoff

Having \$500–\$1,000 in emergency savings prevents you from going backward when life happens. One car repair shouldn't undo three months of progress.



Automate minimums, then manually add extra

Never miss a payment by accident. Set up autopay for minimums on all accounts, then manually add extra to your target debt each month.

Zone A Landmines

Avoid these common mistakes that push people from Manageable to Critical:

- **Taking on new debt to 'consolidate'**
A consolidation loan only helps if the math improves AND you don't run up the cards again.
- **Raiding retirement accounts**
401(k) withdrawals trigger taxes plus a 10% penalty. Retirement accounts are protected from creditors. Don't sacrifice protected assets to pay unsecured debt.
- **Waiting for a windfall**
Tax refunds and bonuses help — but they're not a strategy. Interest doesn't wait. Every month you delay costs money.
- **Ignoring the trajectory**
Being current feels okay, but if your balances aren't decreasing, you're not winning — you're just not losing yet. Run the math. Know your payoff timeline.

What Comes Next

Work the Stabilization Sequence. Make your creditor calls. Track your progress for 90 days.

Your balances are decreasing → Keep going. You're on the right track.

The math still doesn't work → That's not failure. That's information.

If your debt-to-income exceeds 40%, or your realistic payoff timeline exceeds 7 years, DIY may not be the most efficient path. Review the 'What Comes Next' guide to explore your options.

ZONE B

CRITICAL

The goal isn't to catch up overnight. It's to stop the bleeding.

What's Happening

30–60 days behind on one or more accounts. The calls have started.

The Risk

Silence and avoidance accelerate the path toward collections and crisis.

Your Advantage

Creditors still prefer to work with you over sending accounts to collections.

The Goal

Stop the bleeding first. Stabilize. Then build from there.

Your quiz result placed you in Zone B. Start on this section and work through it before reading the others.

ZONE B

Understanding Your Zone

What's Happening Here

You've fallen behind on one or more accounts — probably 30–60 days. You're juggling which bills to pay, maybe using one card to cover another. The calls have started. The letters are piling up. The math no longer works without something changing.

How People Get Here

Usually a tipping point: a job loss, a medical bill, reduced hours, an emergency that drained savings. Or just the slow accumulation of Zone A pressure until one month, the dam broke. You're not here because you're irresponsible — you're here because the margin disappeared.

The Psychology of This Zone

This is the hardest zone emotionally. Shame kicks in. Avoidance peaks. The instinct is to hide. It doesn't help.

Here's what's actually true: you have more options than you think. Creditors would rather work with you than send you to collections. But you have to communicate. Silence accelerates the timeline toward crisis.

What Doesn't Work in Zone B

These instincts feel right but make things worse:

- ✗ Trying to catch up all at once**
If you drain your account to 'catch up,' you'll fall behind again next month. Stabilization isn't about getting current overnight — it's about stopping the bleeding first.
- ✗ Going silent**
When you stop answering calls and opening mail, you lose all leverage. Creditors escalate faster when they can't reach you. Communication — even uncomfortable communication — keeps more options on the table.
- ✗ Raiding retirement to 'fix' the problem**
Early withdrawals trigger taxes plus a 10% penalty. Retirement accounts are protected from creditors. You're sacrificing a protected asset to pay unsecured debt.
- ✗ Taking a high-interest consolidation loan out of desperation**
A 25% personal loan to pay off 22% credit cards just moves the debt and adds fees. Consolidation only works if the math actually improves AND you have a payoff plan.

What Actually Works in Zone B

These strategies are ranked by priority. Focus here first.

- ✓ Triage by consequence, not by who's loudest**
Not all debt is equal. A missed mortgage payment has different consequences than a missed credit card payment. Rank by actual risk — not by which collector calls most.
- ✓ Communicate with creditors immediately**
Call every creditor you're behind with. Ask about reduced payments, rate freezes, or deferment. Hardship programs are often easier to access once you're slightly behind.
- ✓ Stop the bleeding before trying to heal**
Your first goal isn't to pay off debt — it's to stabilize. Once the situation stops getting worse, then you can start making it better.



Protect your income and essential bills first

Prioritize: housing, utilities, food, transportation to work, then secured debts, then unsecured debts. Make sure you can keep earning and living while you stabilize.

Zone B Landmines

Avoid these mistakes that push people from Critical to Crisis:

- **Paying unsecured debt before secured debt**
If your car gets repossessed because you paid Visa instead of your auto loan, you can't get to work. Prioritize debts that have collateral or essential consequences.
- **Making promises you can't keep**
If you agree to \$500/month and can only do \$200, you'll default on the agreement — which can reset the clock and damage trust. Only commit to what you can sustain.
- **Assuming you need to file bankruptcy**
Many people in Zone B don't need bankruptcy — they need stabilization and possibly professional debt resolution. Don't assume the worst before exploring all options.
- **Trying to DIY settlement**
You can accidentally reset the statute of limitations, agree to bad terms, or miss tax implications. If settlement makes sense, work with a professional.

What Comes Next

Work the Stabilization Sequence. Make your hardship calls. Zone B is where the path splits:

Stabilization works, math improves →	Continue to DIY payoff
Math still doesn't work →	Professional help may be the smarter path

Reality check: If your debt-to-income exceeds 40%, your payoff timeline exceeds 7 years, or your monthly minimums exceed 20% of your income even after hardship programs, DIY alone may not get you there. That's not failure — it's math.

ZONE C

CRISIS

Even in crisis, there's a logic-based path forward.

What's Happening

90+ days behind. Accounts charged off or in collections. Possible legal threats.

The Risk

Ignoring legal notices or making uninformed moves can make a bad situation worse.

Your Advantage

Settlement becomes viable. You have rights. Some income and assets are protected.

The Goal

Get professional help. This is not the DIY zone.

Your quiz result placed you in Zone C. Start on this section and work through it before reading the others.

ZONE C

Understanding Your Zone

What's Happening Here

You're significantly behind — likely 90+ days on one or more accounts. Some debts may have been charged off or sold to collections. You may be receiving legal threats, lawsuit notices, or warnings about wage garnishment.

This is serious. But it's not hopeless. And the worst thing you can do right now is freeze.

How People Get Here

Extended hardship without relief. Job loss that lasted too long. Medical crisis. Divorce. Sometimes just the compounding weight of Zone B that never got addressed. By the time you're here, the original problem is often buried under layers of fees, penalties, and collection activity.

The Psychology of This Zone

Two common responses: panic or numbness. Neither helps. What helps is understanding that creditors and collectors have rules. You have rights. Certain income and assets are protected by law. And professional debt resolution — including settlement — becomes a real option here, because creditors would rather recover something than nothing.

What Doesn't Work in Zone C

These mistakes are common in crisis — and costly:

- X Ignoring legal notices**
If you're served with a lawsuit and don't respond, the creditor wins by default. That default judgment can lead to wage garnishment (up to 25% of your paycheck), bank account levies, and years of enforced collection. Responding preserves your options.
- X Paying whoever calls loudest**
Some debts have real legal teeth — they can sue and garnish. Others are just noise. Paying the wrong collector while ignoring one who's about to file is a common and expensive mistake.
- X Trying to negotiate settlement yourself**
The landmines are real: accidentally resetting the statute of limitations, agreeing to bad terms, missing tax implications of forgiven debt, or getting scammed by fake collectors. This is not the zone for DIY negotiation.
- X Draining protected assets**
Retirement accounts, Social Security, and disability benefits are legally protected from creditors. If you drain them to pay unsecured debt, you've sacrificed protection you may desperately need later.

What Actually Works in Zone C

This zone requires a different approach. Stabilization helps, but it's not enough on its own.

- ✓ Respond to legal threats first — always**
If you've received a lawsuit summons, that's priority one. Respond by the deadline (usually 20–30 days). You can request debt validation, challenge the amount, or negotiate — but only if you respond.
- ✓ Know what's protected**
Federal law protects Social Security, SSI, VA benefits, and federal retirement from garnishment. Many states add protections. You may have more protected income than you realize. Understanding your rights changes your leverage.



Get professional help — this is not the DIY zone

Settlement becomes possible once debts are charged off or in collections, but it requires knowing how to negotiate, what to say, and how to protect yourself. Professionals who do this daily get better outcomes faster.



Understand that settlement is a strategy, not a failure

Creditors accept settlements because they'd rather recover 40–60% than nothing. This option isn't available when you're current — but it becomes viable in crisis. The math can work in your favor if handled correctly.

Zone C Landmines

These mistakes can turn a bad situation into a disaster:

- **Accidentally resetting the statute of limitations**
In many states, making a payment or even acknowledging a debt can reset the clock on how long creditors can sue you. Old debts that were almost uncollectible can suddenly become live lawsuits. Never commit to anything without understanding the implications.
- **Paying debts that aren't yours**
Debt gets sold and resold. Records get garbled. Sometimes collectors pursue debts you don't owe, already paid, or that belong to someone else. Always verify before paying anything.
- **Agreeing to payment plans you can't sustain**
If you agree to payments you can't make, you'll default on the agreement — which can accelerate legal action. Only commit to what you can actually do, in writing.
- **Assuming bankruptcy is the only option**
Bankruptcy is a legitimate tool — sometimes it's the right one. But many people in Zone C resolve through settlement, payment plans, or outlasting the statute of limitations. Understand all paths before choosing.

What Comes Next

Zone C typically requires professional help to resolve. The Stabilization Sequence and Escalation Triggers will help you identify which debts are most urgent and when DIY stops making sense.

If your debts have been charged off, sent to collections, or you're facing legal action, the smartest move is to speak with a professional who handles these situations daily. A free consultation can clarify your options — including settlement, consolidation, or bankruptcy — and help you choose the path that makes sense for your specific situation.

Review the 'What Comes Next' guide and consider scheduling a free debt resolution consultation. This isn't about giving up — it's about getting the right help for the situation you're in.

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