



Create A PLAN For Your Debt

Create a Plan to Pay Down Your Debt and
Start Saving for a Down Payment
Submitted by Angela Hainsworth-Brosseau

According to a recent RBC poll, Canadians are carrying an average of \$16,420 in non-mortgage debt these days.

While about a quarter of us are debt-free, a solid 38% of us are still feeling anxious about our debt. Carrying a debt load can dramatically affect how much of a mortgage you qualify for, as well as limit your saving ability for a down payment.

So how are you feeling – debt-speaking? If you're finding that your debt is weighing you down and seemingly impossible to pay down, you're not alone – there are at least 1/3 of Canadians who are feeling the same way. When it comes to getting your debt in shape, and start saving, it's all about taking small steps to get there. It's just like any major task – like learning a new language, losing 20 pounds, writing a novel... you can't just sit down and do it one shot!

Here are five helpful step by step tips to help you pay down your debt – step by step:

- 1)** Pay down the debt with the highest interest rate first. Continue making the minimum payments on all of your cards or loans, but put the largest amount of available cash on your most expensive debt.
- 2)** Make more than your minimum payment each month, whenever you can. This will help you pay off your debt faster.
- 3)** Consider consolidating your debt into one loan. Having all of your debt in one place will make it easier to manage and ultimately pay down, and at a lower interest rate.
- 4)** Make healthy choices. Canadians delay buying a big ticket item because of their debt... if you can avoid taking on additional debt, you'll get into a better financial situation sooner.
- 5)** Create your plan. That sounds like a lot of work – but it doesn't have to be. There are some great tools that can help you map out your debt and create a

repayment schedule. Whether you feel you're in good financial shape or facing some challenges, it's important to have a strategy for reducing debt. With the right strategy, and by making small changes to your spending and borrowing habits, you can improve your cash flow and reduce your debt sooner.

Finally, I would suggest two steps to help motivate you to realize that home ownership is in fact possible, even if you have some extra debt now.

Firstly, check out your financial institution's home financing website calculator and determine the amount of mortgage you could potentially qualify for. The amount of mortgage you qualify for will be based on your income and how much debt you have – or don't have. Secondly, base your saving plan on what you will need for a down payment. Remember you can put down as little as 5% of your home purchase price. If you need further advice and guidance to help you put your plan into action, connect myself Angela Hainsworth-Brosseau your RBC Mobile Mortgage Specialist at 204-721-0093 to help you get started.



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**Your new home
doesn't come with
mortgage advice.
I do.**

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