

# Debt Management & Credit Scores — Workbook

This workbook turns the course into action. You will inventory your debts, choose and run a payoff method, clean up your credit file, and build the habits that protect your score. Work through one section per module, and use the templates to track real numbers over time.

## How Credit Scores Are Calculated

Pull your reports, decode them, and learn where your score actually comes from.

### Exercise: Estimate Your Score Drivers

Without looking up your score, predict how you stand on each FICO factor, then check against a free report. The gap between your guess and reality shows where to focus.

- On payment history (35 percent), have you had any late payments in the last 24 months, and how recent?  
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- On utilization (30 percent), roughly what percentage of your total credit limits are you using right now?  
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- On length of history (15 percent), how old is your oldest open account?  
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- Which single factor do you think is costing you the most points, and why?  
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### Worksheet: Credit Report Pull Log

Visit [AnnualCreditReport.com](http://AnnualCreditReport.com) and pull all three reports. Record the date and a quick status so you can rotate pulls through the year.

Bureau (Equifax / Experian / TransUnion)

\_\_\_\_\_

Date pulled

\_\_\_\_\_

Number of open accounts

\_\_\_\_\_

Number of negative items found

\_\_\_\_\_

Any unrecognized accounts or inquiries (Y/N)

\_\_\_\_\_

Next planned pull date

### Checklist: Report Review Checklist

- Confirm name, addresses, and employers are correct
- Verify every account balance and credit limit is accurate
- Flag any account marked late, charged off, or in collection
- Identify the date of first delinquency on each negative item
- Note any hard inquiry you do not recognize

[ ] List which model and bureau your upcoming lender will use

## Paying Down Consumer Debt

Map every debt, pick a payoff method, and evaluate restructuring tools honestly.

### Worksheet: Complete Debt Inventory

List every consumer debt you owe. Sort the finished list two ways: by APR (for avalanche) and by balance (for snowball) so you can compare strategies.

Creditor / account name

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Current balance

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APR (annual percentage rate)

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Minimum monthly payment

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Due date

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Promo rate end date (if any)

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### Exercise: Choose Avalanche or Snowball

Use your debt inventory and your real extra-payment amount to decide which method fits you. Run the numbers and the motivation honestly.

- What is your total monthly debt-attack budget (all minimums plus extra)?
- If you used avalanche, which debt is the first target, and roughly how much interest does it save?
- If you used snowball, which debt is the first target, and how soon could you eliminate it?
- Which method are you more likely to stick with for 6 to 12 months, and why?

### Exercise: Should You Consolidate or Transfer?

Before using any restructuring tool, pressure-test it with these questions so you do not trade one trap for another.

- What is your current blended interest rate across all card debt?
- After fees, what is the true effective rate of the balance transfer or consolidation loan you are considering?
- Can you fully repay a balance transfer before the promotional 0 percent period ends?
- Will you stop adding new charges to the cards you are paying off?

### Checklist: Restructuring Safety Checklist

- [ ] Compared new effective rate (including fees) to current blended rate
- [ ] Confirmed a realistic payoff date within any promo window
- [ ] Chose only NFCC- or FCAA-accredited counseling if using a plan
- [ ] Treated debt settlement as a last resort with advice
- [ ] Decided NOT to reflexively close paid-off cards

## Rebuilding Credit Responsibly

Dispute errors, add positive tradelines, and use utilization as a fast lever.

### Worksheet: Dispute Tracking Sheet

Log every error you dispute and the 30-day clock for each bureau. Keep copies of all evidence and correspondence.

Item disputed (account / inquiry)

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Bureau(s) reporting it

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Reason it is inaccurate

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Evidence attached

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Date filed

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Response deadline (file date plus 30 days)

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Outcome (corrected / deleted / verified)

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### Exercise: Plan Your Credit-Building Tools

Pick one or two tools to add positive payment history. Match the tool to your situation rather than opening everything at once.

- Is your file thin (little history) or damaged (negative marks), and which tool fits best?

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- What deposit amount can you commit to a secured card, and what single small charge will you put on it?

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- Could a credit-builder loan from a local credit union work for you?

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- Are you eligible to be added as an authorized user on a responsible person's old, low-balance card?

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### Worksheet: Utilization Reduction Plan

Calculate utilization per card and overall, then plan which balances to pay down first to relieve the biggest drag before the statement closes.

Card name

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Balance

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Credit limit

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Per-card utilization percent (balance / limit)

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Target balance to reach under 10 percent

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Statement closing date

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### Checklist: Rebuilding Action Checklist

- Filed disputes for all genuine errors with evidence
- Sent goodwill or validation letters where appropriate
- Paid off any collections (helps under FICO 9 and VantageScore 4.0)
- Opened a secured card or credit-builder loan and set autopay
- Enrolled in Experian Boost for utility and phone payments
- Brought every card under 10 percent utilization where possible

## Habits, Protection, and Long-Term Credit Health

Automate good behavior, build an emergency fund, and sequence a 12-month plan.

### Checklist: Automation Setup Checklist

- Turned on autopay for at least the minimum on every account
- Set a calendar alert before each statement closing date
- Put one small recurring charge on the oldest card to keep it active
- Scheduled a monthly 15-minute balance-and-due-date review
- Planned to pause new applications before any major purchase

### Worksheet: Emergency Fund Builder

Set up a separate high-yield savings account and automate small transfers toward a 1,000 dollar starter fund, then toward three to six months of essentials.

Savings account name / bank

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Starter fund target (e.g., 1,000 dollars)

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Weekly automatic transfer amount

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Current saved balance

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Monthly essential expenses total

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Full fund target (3 to 6 months of essentials)

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### Exercise: Build Your 12-Month Roadmap

Sequence the course into your own year. Fill in target dates and numbers so the plan is concrete, not aspirational.

- What is your target date to finish disputes and build the 1,000 dollar starter fund?
  - Which payoff method and fixed monthly budget will you commit to?
  - What score do you want in 6 months and in 12 months?
  - What will you do with the freed-up payment once you are debt-free?
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## Checklist: Quarterly Review Checklist

- Pulled one bureau report this quarter and checked for changes
- Recorded current score and compared to last quarter
- Adjusted the debt budget for any income change
- Confirmed utilization is still in single digits where possible
- Replenished the emergency fund if it was used

## Your Action Plan

1. Pull all three credit reports free at [AnnualCreditReport.com](https://www.annualcreditreport.com) and complete the Report Review Checklist.
2. Fill in the Complete Debt Inventory with balance, APR, minimum, and due date for every debt.
3. Build a 1,000 dollar starter emergency fund in a separate high-yield savings account.
4. Automate at least the minimum payment on every credit account to protect payment history.
5. Choose avalanche or snowball, set a fixed monthly debt budget, and identify your first target debt.
6. Pay down your highest-utilization card to relieve the biggest short-term drag on your score.
7. File disputes for any genuine errors and send goodwill or validation letters where appropriate.
8. Open one credit-building tool if your file is thin or damaged, and set it to autopay.
9. Execute the payoff method, rolling each freed-up payment onto the next debt in line.
10. Recheck your scores quarterly, grow the emergency fund, and set next year's targets.









