



First Federal
BANK of KANSAS CITY



The days ahead or the daze ahead?



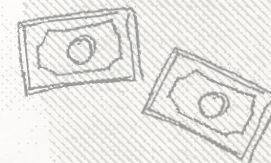
We all have big dreams and goals in life. Working to achieve them is what makes life a journey.

Smart borrowing can help us reach some of those dreams of tomorrow – like providing us with the loan to buy the house where our children grow up, or the extra cash to buy that car that helps us get around.



Yep, debt can help us do some pretty awesome things when we use it with the right know-how. But taking on too much debt can also make it hard for us to get ahead. And even make it feel like it's hard to catch up (yikes!).

That's why getting a little know-how today can make a big difference in what our lives look like in the days to come. It can be the thing that helps us live our tomorrows our way.





The download on debt

We're going to look at how debt can impact our lives. Both positively and negatively. The easiest way to understand this is to think of debt as either:



Helping us move forward



Causing us to catch up

We'll cover both situations. And offer some tips and hacks to make sure debt is doing our bidding. So let's get to it.





Moving forward

A loan in this category is the kind that can help us do some pretty great things. Let's look at a few different types.

PERSONAL LOAN

This is a loan from a bank that can help us do things like home renovation projects that add to the value of our home. It has a set interest rate and date when the loan is due in full.


VEHICLE LOAN

This loan gets us the money we need to buy the car or truck that helps us get back and forth to work, run errands, and shuttle around the kids. It has a set interest rate and is usually paid back in anywhere from three to five years.

HOME LOAN

This is the biggest loan most of us will have in our lives. It helps us whether we're buying our first home or upgrading to handle our growing family. It can have a set or adjustable interest rate and the loan length can typically range from 15 to 30 years.

Download our "Borrowing Like A Boss" ebook at learn.ffbk.com/borrowing-like-a-boss-ebook to learn how you can put debt to work for you.





Catching up

Sometimes circumstances or a not-so-great decision can leave us with debt that feels less like a way to work toward our future and more like a ball and chain around our ankle. Here's what the usual suspects look like with this type of debt.

TITLE LOANS



This is a loan that allows borrowers to get cash in exchange for giving lenders the title to their vehicle. Typically, lenders will give up to 25% of the total value of the car. And they'll keep the car title as collateral until the loan (and some expensive interest) is paid back in full.

CREDIT CARDS



We all know what these are. They can make it too easy to buy now and worry about paying it back later. But unless we're able to pay off the full amount due each month, we're already behind.

PAYDAY LOANS



This is a loan, usually for a small amount, made with the understanding that it will be repaid when we get our next paycheck. Interest rates on this type of loan are generally very high.





The tool to dominate that catch-up debt



We're going to need the right tool to wrangle that catch-up debt. We suggest a smart checking account. One that:



Makes it easy to get to and manage your money.



Rewards you (so you can use those rewards to pay down that catch-up debt).



Allows you to automate payments to make this a no-brainer.



Makes it easy with online or mobile access, mobile check deposit, and other smart ways to take charge of your money.





Taking down that catch-up debt

The catch-up kind of debt can make us feel like we don't have choices. But here's the thing – we can take control of how we pay off our debt.

It's like one of those "choose your own adventure" books where we pick how the story plays out. We can control how we tackle and dominate our debt.



There are three approaches to this – the snowball method, the avalanche method, and the consolidation method. All are good options and get you headed down the right path. Which one is right for you? It all depends on you. Some of us prefer achieving quick wins and lots of small success on the journey. Others like to arrange the loan payments in the most efficient manner. And some of us just want something that's simple and convenient. There's a method no matter who you are.



Before we get started dominating our debt, there are a couple things we need to keep in mind.

KNOW YOUR FOE

It's important to understand our debt – the interest rates, the payments, and due dates. Knowing those can help us best identify where to focus our attention.

MAKE IT COUNT

These strategies really help us dominate when we pay more than the minimum due each month. Even an extra \$5-10 a month can make a bigger difference than we may think.

BE ON TIME

A crucial part of any of these methods is making our payments on time. When we don't, there can be late fees or other penalties that set us further behind. But if we do miss a payment, it's really important to get back on track and restart the routine we've built.

Alright, let's get started finding the debt domination method that's right for you.





THE SNOWBALL METHOD



HOW IT WORKS

Let's say you're making the minimum payment on a handful of debts. With this plan, we line up the different debts that we owe – from smallest to largest. We put our extra effort on paying off the smallest first. Once we do, we take the money we were paying on smallest debt and add it to the payment for the next to smallest until we get it paid off. We do the same thing right down the line, snowballing the amount we can pay as we finish off one debt and take on the next.

WHY IT WORKS

This is all about momentum. As we see success, we start to feel the power of that debt-crushing snowball.

See how the snowball debt elimination method can work for you with our calculator. Visit ffbk.com/debt-elimination-calculator.





THE AVALANCHE METHOD



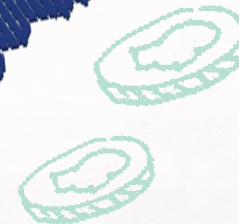
HOW IT WORKS

This plan has us pay off debt in the order of interest rate, from the highest to the lowest. When we pay off the highest interest rate, the money we were paying there goes to pay the next highest one.

WHY IT WORKS

This is all about efficiency and tackling the debts that will cost us the most in the long run. Generally speaking this method saves us money over the long term.

See how the avalanche debt elimination method can work for you with our calculator. Visit ffbkc.com/debt-elimination-calculator.



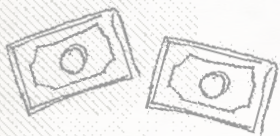


THE CONSOLIDATION METHOD



HOW IT WORKS

This plan has us take out a debt consolidation loan that combines our debts into a single loan with more favorable terms. The goal is to lower the interest rates and total monthly payments of several loans into a more manageable single loan.



WHY IT WORKS

If making multiple credit card payments is stressful, this plan can help. And since it can lower how much we're paying each month, we can use that freed up money to pay more than the minimum – helping us dump the distressing debt faster.





Hacks for crushing that catch-up debt

MAKE IT A GAME



We all love a little challenge. See what you can scrounge up to pay off a little more debt each month. For example, did you know that going out for drinks is one of the most likely times that we'll overspend? Maybe replace one or two of those a month by inviting friends over for drinks. Then move the extra amount you would have spent by going out over to paying off a little more of that debt. You'll be amazed at what paying just a little extra each month can do.

So how can we get started dominating the debt standing in our way? We have some tips to help build momentum and celebrate the progress we'll make along the way.

FREE MONEY



Sometimes we have a little unexpected cash fall into our laps. Think of this as "free" money. It's free because we didn't have to do anything for it, and it will help free us from that nagging debt. It can be money we get as a birthday or holiday gift, a larger-than-expected tax refund, and more. Declare it free money and use it to buy your way to freedom from debt.





CELEBRATE SMALL SUCCESSES



Part of the catch-up journey is celebrating success along the way. No matter what method you choose, it's important to step back and recognize your progress. Make the final payment on a credit card or bill? Stop and celebrate. But hey, the point isn't to go out and spend a bunch of money. Instead, splurge by giving yourself time to explore all the cool free stuff to do.

FREEZE THE CREDIT CARD



This might sound a little crazy but hear us out on this one. If you're having trouble not swiping that credit card, grab a sandwich bag, fill it with water, toss in your credit card, and stick it in the freezer. Being forced to thaw it out may help stop those impulse purchases. You – and your bank account – will thank us later.



Ready for some free fun? Check out our list of activities you can do in Kansas City without spending a dime at ffbkc.com/resources/#saving





Be the dominator of debt

Debt can be a powerful way to do some awesome things. But for some of us, it can be powerful in some not-so-awesome ways too. The good news is that we can be in control. From how we use debt, to how we handle paying it back. When we do that, we dominate.







BETTER. TOGETHER.

We have a belief that when we help each other, we all prosper. That's why we create stuff like this ebook. And why we offer some great options to help you dominate debt. Check them out:



Home Loans

We have the options. Fixed rate or adjustable. 30 year or 15. Conventional, FHA and VA. We can help you find the loan that's right for you whether you're buying a home or refinancing to lower your payment or consolidate debt.

Home Improvement Loans

Need to update that kitchen or add on a room? We can help you use the equity in your home to get things done.

Vehicle Loans

Whether it's a car or a truck, we can help you get to the loan that's right for your situation.

Kasasa Free Checking®

There is no other checking account quite like it. It's not only FREE, it also pays you cash back, high interest, or rewards – you choose. Plus, it only takes \$25 to open an account and there are no hidden penalties. You can even get refunds on ATM fees.



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