

TRAINING PILL 4

Managing debt and financial recovery



Debt can feel heavy, especially when someone else created it. You are not to blame. This page helps you see all your debts clearly, decide what to pay first and find advice, often free.

Make your debt plan

- List each debt: who you owe, how much, the interest and the monthly payment
- Pay urgent bills first: housing, energy and bills that protect your home
- Method 1: pay off the smallest debt first for quick wins
- Method 2: pay off the debt with the highest interest first to pay less overall
- Keep paying at least the minimum on all other debts

Talking to lenders

- Contact lenders early, before you miss a payment
- Ask for a payment plan you can really afford
- Ask for everything in writing and keep copies
- Do not take a new loan to pay old ones without advice

If the debt was not your choice

- Coerced debt is debt taken in your name by pressure, threats or tricks
- It can often be challenged. Get advice before you pay or sign anything
- Collect what you have: letters, contracts, messages and statements
- Debt advice or legal aid can help you; ask about costs first

- ☐ I have listed all my debts
- ☐ I know which bills are urgent
- ☐ I have chosen a repayment method
- ☐ I keep copies of all letters
- ☐ I know where to find debt advice and ask about costs

Try this week: Write a list of every debt you know about. Mark the ones that came from pressure or that you did not agree to. Take the list to a debt adviser. Many are free.

Learn more, free: fire.elnlab.eu • In an emergency, call 112.



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