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December 18, 2009
Period 1

Maxed Out: Excel Component

1. a. It will take **195 months (16.25 years)** to pay off \$4,000 down to \$100 paying the minimum payment of 2%
 - b. At 10% payment each month it will take about **3** years to pay the debt off.
 - c. With the NEW APR of 38% @ 2% payments, it will take **17.5 years!** Yikes!!!
 - d. Paying off between **.75% and 1% every month** will yield a balance of roughly the same from month to month.
 - e. 10% payments at 38% APR will take **36 months (3 years)** to pay off.
 - f. Starting at \$350 is the first payment decreasing exponentially to the last payment of \$10.

2. Escape with US! US Airways vacation package:

San Diego - Rome 7/6/2010 - 7/15/2010

+ four star hotel accommodations in Italy

+ R/T US Airways Club (locations at PHL) Pass

For two (me and my lovely girlfriend).

\$4,314.40 (includes taxes and applicable fees) to my Discover Student Card (APR of 14.99% and 2% minimum payment) will take **232 months (which is 19 years)** to pay off!!!! Better be a good vacation! I'll be paying it off long after it ends.

3. In this project, I learned that credit cards, while they are enticing to use due to their rewards and catchy commercials of happy people charging everything to their credit cards (a la VISA's "Downtown" ad campaign). It can take forever to pay off credit card debt. It is better to get a loan at a fixed rate interest than to rely on credit cards.

A 20% APR is infact a lot, and it can take many years to pay off a couple of thousand dollars as interest will continue to accrue.