

### III. 5 Tips for Paying Off Accumulated Credit Card Debt

Do you feel overwhelmed with your outstanding credit card debt? Has your accumulated balance spiraled out of control that you are now having difficulty paying it off? Below are 5 tips to help you manage your credit card debt level and regain control of your finances.

#### 1. Set a Goal

Establish realistic goals for paying off your accumulated balance to a manageable level. Monitor your progress (in person, through phone or online) regularly to keep you on track.

#### 2. Create a Spending Plan

Create a spending plan (weekly or monthly) for your income. This will help you live within your means and will give you a timeline on when you can reduce your outstanding balance.

#### 3. Trim your Expenses to Free Up Some Cash

Keep a record of and categorize your spending to know where your money is going. Review your record and look for opportunities to cut your expenses (i.e., dining out, watching movies, etc.). This will free up some cash that you can use to pay off your outstanding balance.

#### 4. Pay Off First the Card with the Highest Interest Rate

If you have outstanding balances with multiple credit cards, maximize payments on the credit card with the highest interest rate. Once fully paid, pay off the card with the next highest interest rate. This will save you on interest payments and help you settle your debts faster.

#### 5. Stop Using the Card

Keep the card out of your wallet so you are not tempted to use it. Paying cash for purchases helps in making you conscious about your spending.

If the problem is severe and if you are falling behind your bills, you may negotiate with your bank or creditor to be able to settle your obligation.

*Developed by the Financial Literacy and Advocacy Division  
Financial Consumer Protection Department*

### contact information

**Financial Consumer Protection Department  
Financial Supervision Research and Consumer  
Protection Sub-sector  
Supervision and Examination Sector  
Bangko Sentral ng Pilipinas  
5th Floor Multi-storey Building  
BSP Complex, A. Mabini St., Malate  
1004 Manila**

**Contact Details:  
Direct Line: (02) 708-7087  
Email Address: [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph)**

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