

PAID IN FULL – How To Get Out Of Debt

A supplement to the Paid in Full teaching by Pastor Eric Gonyon

“In the house of the wise are stores of choice food and oil, but a foolish man devours all he has,” reads Proverbs 21:20 NIV.

Debt is, “something owed,” according to Webster’s Dictionary.

· **Debt robs from your future to pay for your present.**

· Debt is a spirit – Debt is a product – Debt is a habit.

I. Why do people get in debt?

· **Ignorance** – “My people are destroyed for lack of knowledge...,” reads Hosea 4:6. Most people were not trained on how to properly handle money. The media’s job is to sell, sell, sell and we buy, buy, buy. If you don’t have the money, no problem, just charge it. When you do this, it will lead you into indulgence.

· **Indulgence** – “That ye be not slothful, but followers of them who through faith and patience inherit the promises,” declares Hebrews 6:12. We live in a “now” society. We are a fast food society. We say, “I will not wait; I cannot wait; I will find out how to get it now.” Most young couples acquire within three years everything that it took their parents to acquire in a lifetime. (For example: house, two cars, furniture, big screen TV, computers, etc.) The difference is that their parents waited till they had the cash to pay for it but young couples mortgaged, borrowed, leased, and charged everything. This is the result of poor planning.

· **Poor Planning** – A person that does not plan their income vs expenditures actually plans to fail without even knowing it. “The thoughts of the [steadily] diligent tend only to plenteousness, but everyone who is impatient and hasty hastens only to want,” reads Proverbs 21:5 AMP.

II. How to get out of debt:

a. For the next thirty days, keep record of every penny that you spend. If you are married, both of you keep records individually to establish an accurate budget.

b. You must establish a budget! Complete the Paid In Full Budget Sheet in full. Stop all forms of borrowing including credit cards. Perform plastic surgery on them. The sooner that you stop the borrowing, the sooner you will be out of debt.

c. Complete the Paid In Full Debt Calculation Sheet. Record debts in the order of smallest to greatest.

d. Save money by using the methods taught by Pastor Eric Gonyon that you feel comfortable with: insurance, credit cards, banking & ATM, envelope system, cash, etc. This will help you apply a Paid In Full accelerator to attack debt—one bill at a time. Soon, bills will be marked PAID IN FULL and eliminated. You will see that there is a way of escape from a mountain of debt. You are on your way to true financial freedom.

e. It’s time for you to be the lender and not the borrower. “The LORD shall open unto thee his good treasure, the heaven to give the rain unto thy land in his season, and to bless all the work of thine hand: and thou shalt lend unto many nations, and thou shalt not borrow,” reads Deuteronomy 28:12.

f. Fund the END-TIME HARVEST!

“Owe no man any thing, but to love one another: for he that loveth another hath fulfilled the law,” states Romans 13:8.

— PAID IN FULL BUDGET WORKSHEET —

A supplement to the Paid In Full teaching by Eric Gonyon

INCOME PER MONTH

A) GROSS SALARY (Monthly) \$ _____
 (If paid weekly multiply by 4.3)

Less:

GIVING

Tithe (10%) \$ _____
 Offerings (%) _____

B) Giving Total \$ _____

TAXES

Federal Withholdings \$ _____
 Social Security _____
 State Withholdings _____
 Other _____

C) Taxes Total \$ _____

D) NET SPENDABLE INCOME \$ _____
 (Gross Salary minus Giving and Taxes Total)

EXPENDITURES PER MONTH

1. SAVINGS (5%)

Savings Total (%) \$ _____

2. HOUSING – HOUSING & UTILITIES (38%)

Mortgage (Rent) \$ _____
 2nd Mortgage _____
 Real Estate Taxes _____
 Home Owners Insurance _____
 Maintenance Fees _____
 Other _____
Housing Total \$ _____

3. UTILITIES

Electricity \$ _____
 Water _____
 Gas _____
 Phone _____
 Cable _____
 Trash _____
 Other _____
Utilities Total \$ _____

4. FOOD (12%)

Groceries (Eat In) \$ _____
 Restaurants (Eat Out) _____
Food Total \$ _____

5. TRANSPORTATION (15%)

Car Payment 1 \$ _____
 Car Payment 2 _____
 Gas/Car washes _____
 Repairs/Tires/Oil Changes/etc. _____
 License & Taxes _____
 Automobile Insurance _____
Transportation Total \$ _____

6. MEDICAL EXPENSES (5%)

Doctor \$ _____
 Dentist _____
 Medicine _____
 Other _____
Medical Expenses Total \$ _____

7. OTHER INSURANCE (5%)

Life Insurance \$ _____
 Disability Insurance _____
 Other _____
Insurance Total \$ _____

8. CLOTHING (5%)

Adults \$ _____
 Children _____
 Cleaning/Laundry _____
Clothing Total \$ _____

9. RECREATION (5%)

Entertainment \$ _____
 Vacation _____
 Other _____
Recreation Total \$ _____

10. PERSONAL (3%)

Toiletry/Cosmetics \$ _____
 Beauty/Barber _____
 Subscriptions _____
 Child Support _____
 Alimony _____
 Adult Education _____
 Child Education _____
 Gifts (Christmas, B-Day, etc.) _____
 Other _____
Personal Total \$ _____

11. DEBTS (7%)

Visa 1 \$ _____
 Visa 2 _____
 MasterCard 1 _____
 MasterCard 2 _____
 American Express _____
 Discover _____
 Dept Store Card 1 _____
 Dept Store Card 2 _____
 Gas Card 1 _____
 Gas Card 2 _____
 Finance Company 1 _____
 Finance Company 2 _____
 Credit line _____
 Personal Loan _____
 Student Loan 1 _____
 Student Loan 2 _____
 Other _____
 Other _____
 Other _____
Debts Total \$ _____

SUMMARY

E) Total Expenses \$ _____
 (add columns 1-11)

Income versus Expenses calculation

F) Net Spendable Income \$ _____
 (Copy from section D)

G) Minus Total Expenses —

H) EQUALS NET DIFFERENCE \$ _____
 (F minus G equals H)

— DEBT CALCULATION EXAMPLE SHEET —

A supplement to the Paid In Full teaching by Eric Gonyon

COLUMN ①	COLUMN ②	COLUMN ③	+	COLUMN ④	=	COLUMN ⑤	COLUMN ⑥	=	COLUMN ⑦	COLUMN ⑧
DEBT NAME	BALANCE Lowest to Highest	MONTHLY PAYMENT		PAID IN FULL ACCELERATOR		NEW PAYMENT	DIVIDE COLUMN 2 BY COLUMN 5		NUMBER OF MONTHS UNTIL PAID IN FULL	MONTH AND DAY TO BE PAID IN FULL
PAID IN FULL ACCELERATOR =				250.00						Start Date: _____

1.	Visa Card	380	34.40	+	250.00	=	284.40		1.3	02/09/15
2.	MasterCard	400	25.80	+	284.40	=	310.20		1.3	03/18/15
3.	Visa Card	650	30.10	+	310.20	=	340.30		1.9	05/15/15
4.	Discover	700	107.50	+	340.30	=	447.80		1.6	06/03/15
5.	Bank Loan	1,000	43.00	+	447.80	=	490.80		2.0	08/03/15
6.	Sears	1,000	86.00	+	490.80	=	576.80		1.7	09/30/15
7.	JC Penney	1,200	64.50	+	576.80	=	641.30		1.9	11/26/15
8.	MasterCard	1,500	107.50	+	641.30	=	748.80		2.0	01/26/16
9.	Furniture	2,000	34.40	+	748.80	=	783.20		2.6	04/13/16
10.	Car	3,000	180.60	+	783.20	=	963.80		3.1	07/16/16
11.	House	80,000	587.01	+	963.80	=	1550.81		51.6	11/03/20
12.										
13.										
14.										
15.										
16.										
17.										
	TOTAL	91,830							5 years 9 months	(+ or - a few months)

Start Date _____

Paid In Full Date: _____

.1	.2	.3	.4	.5	.6	.7	.8	.9	1.0 (Refer to scale above)
3	6	9	12	15	18	21	24	27	30 Days

- Need a start date for calculation to work.
- Column 4 (Paid In Full Accelerator) is a place where you can plug in any amount and see the quickest way to get out of debt.
- Don't worry about the interest rate or when they normally would be paid off.
- Note: This will give you a rough idea of when each bill and ultimately when all bills will be PAID IN FULL.

— DEBT CALCULATION SHEET —

A supplement to the Paid In Full teaching by Eric Gonyon

COLUMN ①	COLUMN ②	COLUMN ③	COLUMN ④	COLUMN ⑤	COLUMN ⑥	COLUMN ⑦	COLUMN ⑧	
DEBT NAME	BALANCE Lowest to Highest	MONTHLY PAYMENT	+ PAID IN FULL ACCELERATOR	= NEW PAYMENT	DIVIDE COLUMN 2 BY COLUMN 5	= NUMBER OF MONTHS UNTIL PAID IN FULL	MONTH AND DAY TO BE PAID IN FULL	
PAID IN FULL ACCELERATOR = <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/>								Start Date: _____

1.																			
2.																			
3.																			
4.																			
5.																			
6.																			
7.																			
8.																			
9.																			
10.																			
11.																			
12.																			
13.																			
14.																			
15.																			
16.																			
17.																			
18.																			
19.																			
20.																			

Start Date: _____ Paid In Full Date: _____

.1	.2	.3	.4	.5	.6	.7	.8	.9	1.0 (Refer to scale above)
3	6	9	12	15	18	21	24	27	30 Days

- Need a start date for calculation to work.
- Column 4 (Paid In Full Accelerator) is a place where you can plug in any amount and see the quickest way to get out of debt.
- Don't worry about the interest rate or when they normally would be paid off.
- Note: This will give you a rough idea of when each bill and ultimately when all bills will be PAID IN FULL.

30 year vs. 15 year Mortgage Comparison

A supplement to the Paid in Full teaching by Pastor Eric Gonyon

US Average Mortgage Debt= 155,192.00

Your Costs for a \$155,000.00 Fixed-Rate Mortgage

15-Year at 6.00%

30-Year at 6.00%

Your Monthly Payment: *(Only around 29% higher for 15 Years)*

15-Year Loan \$1,308.00

30-Year Loan \$929.00

Interest You'll Pay Over Full Term of Mortgage:

15-Year Loan \$80,436.00

30-Year Loan \$179,549.00

30 year mortgage would cost you less \$379.00 each month.

However, the total interest for the 30-year mortgage would be

\$99,113.00 more than that of the 15-year mortgage.

Mortgage calculator	15-year or 30-year fixed mortgage	
Based on your inputs, we have calculated the following:		
Your Costs for a \$155,000.00 Fixed-Rate Mortgage	15-Year at 6.00%	30-Year at 6.00%
Your Monthly Payment:	\$1,308.00	\$929.00
Interest You'll Pay During First 5 Years:	\$41,293.00	\$44,992.00
Interest You'll Pay Over Full Term of Mortgage:	\$80,436.00	\$179,549.00

How would you like to get a raise of \$8,259.00 a year?

Then get a 15 year mortgage instead of a 30 year mortgage.

**How much can be saved on a
Bi-Monthly Mortgage Payment**

Monthly payment: \$929.30

Total interest: \$179,549.19

Average interest each month: \$498.75

Saves you in interest \$0

Reduces your mortgage by 0 Years

Biweekly payment: **\$464.65**

Total interest: **\$139,804.41**

Avg interest each biweekly period: **\$178.78**

\$39,744.78

6 Years

FIVE THINGS THAT YOU CAN DO NOW TO APPLY CASH TOWARDS YOUR PIF ACCELERATOR AND ELIMINATE DEBT

A supplement to the Paid in Full teaching by Pastor Eric Gonyon

1. BUDGET (WRITE DOWN ALL EXPENSES FOR 30 DAYS.)

Proverbs 21:5 The plans of the diligent leads to profit as surely as haste leads to poverty.

You must determine your current spending level first.

Accurate record keeping controls overspending.

Transfer ownership of everything to God and understand that you are not an owner of any thing; you are a steward of God's property.

Next, identify the difference between **needs, wants, & desires** to effectively stay on a budget.

2. INSURANCE

Call and get 3 to 5 quotes on all insurance.

Raise your deductible *if you can afford it*.

Evaluate your insurance - (full coverage?) Road Side, Car Rental, Alarm, Antilock Brakes, Air Bag, Driving School, Multi Policy Discount, etc.

Consider a Term Life Policy instead of Whole Life. Replace Mortgage and Car Death Insurance with Term Life Policy. *Have in place a Term Life policy before cancelling others.*

3. CREDIT CARDS (DEBT CARDS)

Proverbs 22:7 The rich ruleth over the poor and the borrower is servant to the lender.

Call and get your APR reduced (Example 21% to 11%).

Never pay annual fees.

Know your **grace period** (25 days? Pay in full within the grace period).

Perform **plastic surgery** (Cut up your credit cards).

Watch Out

Average Late Fee (25.00 +) Over your limit fees (25.00 +)

When this occurs, they will raise your interest rate without telling you. Cash advance fee 3%-7% with a minimum of \$10.00 charge.

Credit card companies generated \$20.5 BILLION from penalty fees in a year (NY Times).

4. BANKING AND ATM FEES

No Monthly Service Fee - No Per Item Fee - Free Checks - Free Bill Pay

No Minimum Balance Requirement - Over Draft Protection Fee amount?

Avoid NSF or Bounced Check Fees - Someone who overdraws his account at the ATM by \$20, and is charged the median overdraft fee of \$27, would incur an annual percentage rate of 3,520 percent if he repaid the loan in two weeks (Bankrate.com).

Average bounced check fee hits a new high - The average cost of a bounced check, referred to as a nonsufficient funds fee or NSF fee, climbed 3 percent to a record high of \$28.23 (Bankrate.com).

ATM Fees (Only use your free ATM machines to withdraw cash.)

If you withdraw \$10.00 from an out-of-network ATM, they could charge up to a \$5.00 fee; that's 50% of your own money!

5. ONLY PAY CASH

Dunn and Bradstreet found people spend 12% to 18% more when using credit cards instead of cash. McDonalds found that the average transaction rose from \$4.50 to \$7.00 when using plastic.

Envelope System - Label envelopes based on budget categories and put the amount of cash per budget category in each envelope. When it's gone, do not spend any more.

Envelope 1 - Groceries - (Eating In) - Never shop without a list or when hungry.

Envelope 2 - Restaurants (Eating Out) - Reduce the number of times that you eat out.

Envelope 3 - Fuel - Use applications like GasBuddy to get the lowest price.

Envelope 4 - Clothes & Entertainment

Envelopes 5,6,7,8 - **List budget categories** and continue to follow the plan.

Use all saved monies to apply to your PIF Accelerator to get out of debt.

Congratulations; you are now on your way to true financial freedom!

Buying Versus Leasing a Car

	Buying	Leasing
Ownership	You own the vehicle and get to keep it as long as you want it.	You don't own the vehicle. You get to use it but must return it at the end of the lease unless you decide to buy it.
Up-front costs	They include the cash price or a down payment, taxes, registration and other fees.	They typically include the first month's payment, a refundable security deposit, a down payment, taxes, registration and other fees.
Monthly payments	Loan payments are usually higher than lease payments because you're paying off the entire purchase price of the vehicle, plus interest and other finance charges, taxes, and fees.	Lease payments are almost always lower than loan payments because you're paying only for the vehicle's depreciation during the lease term, plus interest charges (called rent charges), taxes, and fees.
Early termination	You can sell or trade in your vehicle at any time. If necessary, money from the sale can be used to pay off any loan balance.	If you end the lease early, early-termination charges can be almost as costly as sticking with the contract.
Vehicle return	You'll have to deal with selling or trading in your car when you decide you want a different one.	You can return the vehicle at lease-end, pay any end-of-lease costs, and walk away.
Future value	The vehicle will depreciate but its cash value is yours to use, as you like.	On the plus side, its future value doesn't affect you financially. On the negative side, you don't have any equity in the vehicle.
Mileage	You're free to drive as many miles as you want. (But higher mileage lowers the vehicle's trade-in or resale value.)	Most leases limit the number of miles you may drive, often 12,000 to 15,000 per year. (You can negotiate a higher mileage limit.) You'll have to pay charges for exceeding your limits.
Excessive wear and tear	You don't have to worry about wear and tear, but it could lower the vehicle's trade-in or resale value.	Most leases hold you responsible. You'll have to pay extra charges for exceeding what is considered normal wear and tear.
End of term	At the end of the loan term (typically four to five years), you have no further payments and you have built equity to help pay for your next vehicle.	At the end of the lease (typically two to four years), you'll have to finance the purchase of the car or lease or buy another.
Customizing	The vehicle is yours to modify or customize as you like.	Because the lessor wants the vehicle returned in sellable condition, any modifications or custom parts you add will need to be removed before you return the car. If there is any residual damage, you'll have to pay to have it fixed.

Miracle Debt elimination in the Scriptures

A supplement to the Paid in Full teaching by Pastor Eric Gonyon

Israelites borrow from the Egyptians and then they experience miracle debt elimination

Exodus 3:21-22 And I will give this people favour in the sight of the Egyptians: and it shall come to pass, that, when ye go, ye shall not go empty: 22 But every woman shall borrow of her neighbour, and of her that sojourneth in her house, jewels of silver, and jewels of gold, and raiment: and ye shall put them upon your sons, and upon your daughters; and ye shall spoil the Egyptians. **Exodus 14:30** Thus the LORD saved Israel that day out of the hand of the Egyptians; and Israel saw the Egyptians dead upon the sea shore.

The Lord's time for canceling debts has been proclaimed

Deuteronomy 15:1-6 (NIV) At the end of every seven years you must cancel debts. 2 This is how it is to be done: Every creditor shall cancel the loan he has made to his fellow Israelite. He shall not require payment from his fellow Israelite or brother, because the LORD's time for canceling debts has been proclaimed. 3 You may require payment from a foreigner, but you must cancel any debt your brother owes you. 4 However, there should be no poor among you, for in the land the LORD your God is giving you to possess as your inheritance, he will richly bless you, 5 if only you fully obey the LORD your God and are careful to follow all these commands I am giving you today. 6 For the LORD your God will bless you as he has promised, and you will lend to many nations but will borrow from none. You will rule over many nations but none will rule over you.

Debt (taxes) eliminated

1 Samuel 17:22-25 (NIV) David left his things with the keeper of supplies, ran to the battle lines and greeted his brothers. 23 As he was talking with them, Goliath, the Philistine champion from Gath, stepped out from his lines and shouted his usual defiance, and David heard it. 24 When the Israelites saw the man, they all ran from him in great fear. 25 Now the Israelites had been saying, "Do you see how this man keeps coming out? He comes out to defy Israel. The king will give great wealth to the man who kills him. He will also give him his daughter in marriage and will exempt his father's family from taxes in Israel."

Widow woman's debt eliminated

2 Kings 4:1-7 Now there cried a certain woman of the wives of the sons of the prophets unto Elisha, saying, Thy servant my husband is dead; and thou knowest that thy servant did fear the LORD: and the creditor is come to take unto him my two sons to be bondmen. 2 And Elisha said unto her, What shall I do for thee? tell me, what hast thou in the house? And she said, Thine handmaid hath not any thing in the house, save a pot of oil. 3 Then he said, Go, borrow thee vessels abroad of all thy neighbours, even empty vessels; borrow not a few. 4 And when thou art come in, thou shalt shut the door upon thee and upon thy sons, and shalt pour out into all those vessels, and thou shalt set aside that which is full. 5 So she went from him, and shut the door upon her and upon her sons, who brought the vessels to her; and she poured out. 6 And it came to pass, when the vessels were full, that she said unto her son, Bring me yet a vessel. And he said unto her, There is not a vessel more. And the oil stayed. 7 Then she came and told the man of God. And he said, Go, sell the oil, and pay thy debt, and live thou and thy children of the rest.

Axe head was borrowed, lost, and returned

2 Kings 6:4-7 So he went with them. And when they came to Jordan, they cut down wood. 5 But as one was felling a beam, the axe head fell into the water: and he cried, and said, Alas, master! For it was borrowed. 6 And the man of God said, Where fell it? And he shewed him the place. And he cut down a stick, and cast it in thither; and the

iron did swim. 7 Therefore said he, Take it up to thee. And he put out his hand, and took it.

Nehemiah's workmen had their mortgages and debts canceled

Nehemiah 5:1-4, 11-12 And there was a great cry of the people and of their wives against their brethren the Jews. 2 For there were that said, We, our sons, and our daughters, are many: therefore we take up corn for them, that we may eat, and live. 3 Some also there were that said, We have mortgaged our lands, vineyards, and houses, that we might buy corn, because of the dearth. 4 There were also that said, We have borrowed money for the king's tribute, and that upon our lands and vineyards. 11 Restore, I pray you, to them, even this day, their lands, their vineyards, their oliveyards, and their houses, also the hundredth part of the money, and of the corn, the wine, and the oil, that ye exact of them. 12 Then said they, We will restore them, and will require nothing of them; so will we do as thou sayest. Then I called the priests, and took an oath of them, that they should do according to this promise.

10,000 talent debt elimination

Matthew 18:23-27 Therefore is the kingdom of heaven likened unto a certain king, which would take account of his servants. 24 And when he had begun to reckon, one was brought unto him, which owed him ten thousand talents. 25 But forasmuch as he had not to pay, his lord commanded him to be sold, and his wife, and children, and all that he had, and payment to be made. 26 The servant therefore fell down, and worshipped him, saying, Lord, have patience with me, and I will pay thee all. 27 Then the lord of that servant was moved with compassion, and loosed him, and forgave him the debt.

Jesus had a debt

Matthew 17:24-27 And when they were come to Capernaum, they that received tribute money came to Peter, and said, Doth not your master pay tribute? 25 He saith, Yes. And when he was come into the house, Jesus prevented him, saying, What thinkest thou, Simon? of whom do the kings of the earth take custom or tribute? of their own children, or of strangers? 26 Peter saith unto him, Of strangers. Jesus saith unto him, Then are the children free. 27 Notwithstanding, lest we should offend them, go thou to the sea, and cast an hook, and take up the fish that first cometh up; and when thou hast opened his mouth, thou shalt find a piece of money: that take, and give unto them for me and thee.

Zacchaeus restored fourfold

Luke 19:8 And Zacchaeus stood, and said unto the Lord; Behold, Lord, the half of my goods I give to the poor; and if I have taken any thing from any man by false accusation, I restore him fourfold.

Onesimus debt canceled by the Apostle Paul

Philemon 1:18-19 (NIV) If he has done you any wrong or owes you anything, charge it to me. 19 I, Paul, am writing this with my own hand. I will pay it back-not to mention that you owe me your very self.

Greatest debt elimination - Jesus eliminates our debt of sin on the cross

Colossians 2:13-14 (NAS) And when you were dead in your transgressions and the uncircumcision of your flesh, He made you alive together with Him, having forgiven us all our transgressions, 14 having canceled out the certificate of debt consisting of decrees against us and which was hostile to us; and He has taken it out of the way, having nailed it to the cross.

