

The 7 Moves Checklist

From *The Debt Code* by Jacob Tress

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Your first action steps from Chapter 6 of The Debt Code

Move 1: Build Your Debt Inventory

For each account, write down:

| Creditor | Balance | APR | Min Payment | Last Payment | Status |
|----------|---------|-----|-------------|--------------|--------|
|----------|---------|-----|-------------|--------------|--------|

Status options: Current / Delinquent (30-180 days) / Charged Off / In Collections / Legal

Total debt: \$_____

Move 2: Know Your Stage

For each account, identify where it is in the debt lifecycle:

- **Current** – Still making payments. Most options available. Hardship programs exist.
 - **Delinquent (30-180 days)** – Missed payments. Critical window for settlement.
 - **Charged Off** – Written off by creditor (usually after 180 days). Debt gets sold.
 - **In Collections** – Third-party collector holds the account. FDCPA rights fully apply.
 - **Legal/Judgment** – Creditor has filed suit. Serious but still settleable.
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Move 3: Stop the Bleeding

- Stop using all credit cards
 - Remove saved cards from online accounts
 - Put physical cards out of reach
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Move 4: Stop Random Payments (If Already Past Due)

- Identify which accounts are already delinquent
- Stop sending small payments that reset the statute of limitations

- Redirect those funds into a dedicated settlement savings account

If you're currently current and considering stopping payments as a strategy, read Ch6 of The Debt Code first — this decision has real tradeoffs.

Move 5: Pull Your Credit Reports

- Go to AnnualCreditReport.com (the only federally mandated free site)
 - Pull all three reports: Equifax, Experian, TransUnion
 - Check for accounts you don't recognize
 - Note any balance discrepancies vs. your Debt Inventory
 - Flag incorrect late payment records
 - Save/print the reports
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Move 6: Write Your Hardship Story

Two to three paragraphs. Factual and honest. What changed in your financial situation and when.

You will need this when negotiating with creditors and collectors. Write it now, before you need it.

Move 7: Decide Your Path

Three main paths:

- **DIY Negotiation** — You contact creditors directly. Free. Takes time and nerve.
- **Debt Settlement Company** — They negotiate for you. 15-25% fee. Research carefully.
- **Bankruptcy** — Chapter 7 discharges most debt. Chapter 13 creates a repayment plan. Not failure — a legal tool.

My path: _____

Free companion resources at thedebtcode.com/resources

This checklist is from The Debt Code by Jacob Tress. For informational purposes only — not legal or financial advice.