

If you have a credit with an exciting balance 1569.34 has a credit limit of 2000. and interest rate of 12.5% you pay 150.00 each month when will the balance be below the target debt ratio to improve your credit score.

Answer:

Exciting balance is 1569.34

If limit is 2000 than amount is $2000 - 1569.34 = 430.66$

Each month payment is 150.00

After first month: $430.66 - 150 = 280.66$

+interest rate 12.5%: $280.66 + 12.5\% = 315.75$

After second month: $315.75 - 150 = 165.75$

+interest rate 12.5%: $165.75 + 12.5\% = 186.46$

After third month: $186.46 - 150 = 36.46$

So finally balance below the target debt would be after fourth month