

MODULE 3 RESOURCES

Resource 3.1: Personal Debt Prevention Plan Template

MY DEBT PREVENTION PLAN

Date Created: _____

Review Date: _____ (review quarterly)

PART 1: MY MONEY VALUES

What matters most to me? (Rank 1-10)

- Financial freedom: _____
- Travel/experiences: _____
- Family/relationships: _____
- Home ownership: _____
- Early retirement: _____
- Education: _____
- Career flexibility: _____
- Giving to others: _____
- Security/peace of mind: _____
- Other: _____

My money mission statement:

How does debt help or hurt these values?

PART 2: MY DEBT BOUNDARIES

****I will NEVER borrow for:****

- 1. -----
- 1. -----
- 1. -----
- 1. -----
- 1. -----

****I will ONLY consider borrowing for:****

- 1. -----
- 1. -----
- 1. -----

****My maximum acceptable interest rate:** _____%**

****My maximum debt-to-income ratio:** _____%**

****Before ANY debt decision, I will:****

- ☐ Wait 48 hours
- ☐ Complete debt decision worksheet
- ☐ Discuss with accountability partner
- ☐ Consider alternatives
- ☐ Check my budget
- ☐ Sleep on it
- ☐ Other: _____

****PART 3: MY SPENDING TRIGGERS****

****I'm most likely to overspend when:** (Check all that apply)**

- ☐ I'm stressed or emotional
- ☐ I'm with certain friends
- ☐ I'm on social media
- ☐ I'm at the mall/shopping areas
- ☐ I'm bored

- ☐ I've had a bad day
- ☐ I want to celebrate
- ☐ I see sales/deals
- ☐ I compare myself to others
- ☐ Other: _____

****My plan to handle these triggers:****

****PART 4: MY TEMPTATION DEFENSES****

****To avoid debt, I will:****

****Online Shopping:****

- ☐ Delete saved payment methods
- ☐ Unsubscribe from promotional emails
- ☐ Use browser extensions to block shopping sites
- ☐ Remove shopping apps from phone
- ☐ Use 24-hour rule for all online purchases

****Credit Cards:****

- ☐ Keep cards at home (not in wallet)
- ☐ Freeze cards in ice (literally!)
- ☐ Only use debit card
- ☐ Set low credit limits
- ☐ Enable purchase alerts

****Social Situations:****

- ☐ Suggest free/low-cost activities
- ☐ Be honest: "I'm being careful with money"

- ☐ Plan budget-friendly alternatives
- ☐ Leave credit cards at home
- ☐ Bring cash only

****PART 5: MY EMERGENCY PREPAREDNESS****

****Emergency fund goal:**** \$_____

****Current emergency fund:**** \$_____

****Monthly contribution:**** \$_____

****Target date to reach goal:**** _____

****If emergency happens before fully funded:****

1. Use emergency fund first

1. Then: _____

1. Then: _____

1. Last resort: _____

****I will NOT use credit cards for emergencies unless:****

****PART 6: MY ACCOUNTABILITY SYSTEM****

****Accountability Partner:**** _____

****Contact info:**** _____

****Check-in schedule:**** _____ (weekly/monthly)

****What I want them to ask me:****

1. -----

1. -----

1. -----

****Permission to challenge me on:****

****PART 7: MY PROGRESS TRACKING****

****Monthly Debt-Free Wins:****

- Month 1: Avoided _____ debt by _____
- Month 2: Avoided _____ debt by _____
- Month 3: Avoided _____ debt by _____

****Quarterly Review Questions:****

- ☐ Have I taken on any new debt?
- ☐ Am I sticking to my boundaries?
- ☐ What triggered any slip-ups?
- ☐ What's working well?
- ☐ What needs adjustment?

****PART 8: MY CELEBRATION PLAN****

****I will celebrate debt-free milestones with:** (Free/low-cost only!)**

- 30 days debt-free: _____
- 90 days debt-free: _____
- 6 months debt-free: _____
- 1 year debt-free: _____

****PART 9: MY "IN CASE OF EMERGENCY" PROTOCOL****

****If I'm tempted to take on bad debt:****

1. STOP and take 3 deep breaths
1. Call accountability partner immediately
1. Complete this emergency checklist:
 - ☐ Is this truly an emergency?
 - ☐ Have I exhausted all alternatives?
 - ☐ What's my long-term best interest?
 - ☐ How will I feel about this in 6 months?
 - ☐ What would I tell my best friend to do?
1. Wait 24 hours before proceeding

1. If still needed, choose least-bad option

****My "break glass" resources:****

- Emergency contact: _____
- Credit counselor: _____
- Financial mentor: _____
- Support hotline: _____

****COMMITMENT****

I commit to living by this debt prevention plan to achieve my financial goals and values.

****Signature:**** _____ ****Date:**** _____

****Accountability Partner Signature:**** _____ ****Date:****

****Review & Update Quarterly - Next Review:**** _____

Resource 3.2: Red Flags Checklist (Wallet Card Format)

**** DEBT WARNING SIGNS - WALLET CARD****

(Print, cut, laminate, keep in wallet)

****STOP BEFORE YOU BORROW IF:****

****Financial Red Flags:****

- ☐ Interest rate over 15%
- ☐ Can't afford monthly payment
- ☐ This would max out credit
- ☐ Emergency fund not in place
- ☐ Already struggling with debt
- ☐ Haven't shopped for best rate
- ☐ Don't understand all terms

****Emotional Red Flags:****

- ☐ Making impulsive decision
- ☐ Trying to impress others
- ☐ Emotional/stressed state
- ☐ Justifying with "I deserve it"
- ☐ Haven't slept on decision
- ☐ Keeping this secret
- ☐ Feel guilty or anxious

****Situation Red Flags:****

- ☐ Sales pressure/"today only"
- ☐ Borrowing to pay other debt
- ☐ For consumable item
- ☐ Asset will depreciate quickly
- ☐ Co-signing for someone
- ☐ Payday or title loan
- ☐ "Too good to be true" offer

****IF 3+ BOXES CHECKED:****

****DON'T DO IT!****

****Instead:****

1. Walk away for 48 hours

1. Call: _____ (accountability partner)

1. Review: Debt Prevention Plan

1. Find alternative solution

****Emergency: Text "HELP" to yourself as reminder****