

## ## 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:\*\*

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\*\*How does debt help or hurt these values?\*\*

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#### \*\*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:\*\*

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#### \*\*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:\*\*

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## \*\*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:\*\*

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## \*\*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:\*\* \_\_\_\_\_

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### 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\*\***