

EMERGENCY LOAN DECISION CHECKLIST

Stop automatic loan payments from your bank account — legally and immediately

ConfidenceBuildings.com · [Emergency Borrowing Blueprint \(2026 Complete Guide\)](#) · Laxmi Hegde, MBA in Finance ·

For educational purposes only. Not legal advice.

5 Steps to Choose Your "Least Evil" Option

Name: _____ Date: _____ ||
|| Emergency Amount Needed: \$ _____ || By when? _____ (date)

STEP 1: EXHAUST ALL FREE & LOW-COST ALTERNATIVES FIRST ||

|| Before considering ANY loan, check these options: ||

- || Call 211 for emergency assistance programs || Ask employer for payroll advance (often 0% fee) || Contact utility companies for hardship extensions ||
- Negotiate medical bills directly (see Episode 12) || Credit union Payday Alternative Loan (PAL) — max 28% APR || 0% APR credit card offer (if qualified) ||
- Family/friend loan (get written agreement) || Sell unused items (Facebook Marketplace, Craigslist) || Local religious/community organizations ||
- || I have exhausted all alternatives — need to proceed

STEP 2: THE 401(k) LOAN CHECK (LEAST EVIL — IF JOB STABLE)

- I have a 401(k) with at least \$5,000 vested
- My employer allows loans (check plan documents)
 - I have been with my employer for _____ years
 - My industry is stable (low layoff risk)
 - I have an emergency fund that could cover 3 months exp
- I understand the 60-day repayment rule if I lose my job
- I can afford the payroll deduction payments
- I understand I'll pay taxes twice on the interest

- JOB STABLE → 401(k) loan is my LEAST EVIL option
- JOB UNSTABLE → SKIP to Step 3

STEP 3: CREDIT CARD CASH ADVANCE CHECK (MIDDLE OPTION)

- I have a credit card with available credit
 - Available credit: \$ _____
 - My cash advance APR is: _____ % (check your statement)
 - My cash advance fee is: _____ % (usually 3-5%)
 - I understand interest starts IMMEDIATELY — no grace period
 - I can repay this within _____ months
 - I have a PIN set up for my credit card
 - I will use my bank's ATM to avoid extra fees

- Calculate total cost:
 - Amount: \$ _____
 - + Cash advance fee (\$ _____ × _____ % = \$ _____)
 - + ATM fee (\$ _____)
 - + Interest (\$ _____ over _____ months)
 - = TOTAL REPAYMENT: \$ _____

- I can afford this total — proceed with caution

STEP 4: PAYDAY LOAN CHECK (MOST EVIL — ABSOLUTE LAST RESORT)

- I have truly exhausted all other options

- Payday lending is legal in my state (check map below)
- I will borrow the ABSOLUTE MINIMUM: \$ _____
- I understand the fee: \$ _____ per \$100 borrowed
- Total fees: \$ _____
- Total repayment (principal + fees): \$ _____
- Due date: _____ (usually 2 weeks)
- I have a firm plan to repay on that date
- I will NOT roll over this loan — EVER
- I have read Episode 13 on how to verify licensed lenders
- I have verified the lender is licensed in my state

| WARNING: If you cannot repay in 2 weeks, DO NOT BORROW

STEP 5: MY FINAL DECISION

Based on my situation, I choose:

- 401(k) LOAN — because I have job stability
 - Loan amount: \$ _____
 - Repayment term: _____ months
 - Payroll deduction: \$ _____ per paycheck

- CREDIT CARD CASH ADVANCE — because I need funds quickly
 - Amount: \$ _____
 - Card: _____
 - Repayment plan: \$ _____ per month
 - Target payoff date: _____

- PAYDAY LOAN — absolute last resort, minimal amount
 - Amount: \$ _____
 - Lender: _____
 - Due date: _____
 - Repayment source: _____

- NONE OF THE ABOVE — I will find another way
 - My plan: _____

↪ **QUICK REFERENCE: STATE PAYDAY LOAN LEGALITY (2026)**

ILLEGAL (13 + DC) — **Do not apply**, any offer is a scam

AZ, AR, CO, CT, GA, MD, MA, MT, NH, NJ, NY, PA, VT, DC

RATE CAPS (36% or lower) — 17 states
CA, IL, ME, MN, NE, NV, NM, OH, OK, OR, RI, SC, SD, TN, VA, WA, WV

HIGH RATES (300%+ APR) — 20 states — proceed with caution
AL, AK, DE, FL, HI, ID, IN, IA, KS, KY, LA, MI, MS, MO, NC, ND,
TX, UT, WI, WY

STATE REGULATOR WEBSITES (Verify lenders)

California: dfpi.ca.gov
Texas: occc.texas.gov
Florida: flofr.gov
New York: dfs.ny.gov
Illinois: illinois.gov/dbil
All states: consumerfinance.gov/ask-cfpb/

REPORT SCAMS & FILE COMPLAINTS

FTC: reportfraud.ftc.gov
CFPB: consumerfinance.gov/complaint
State AG: _____

NOTES & REMINDERS
