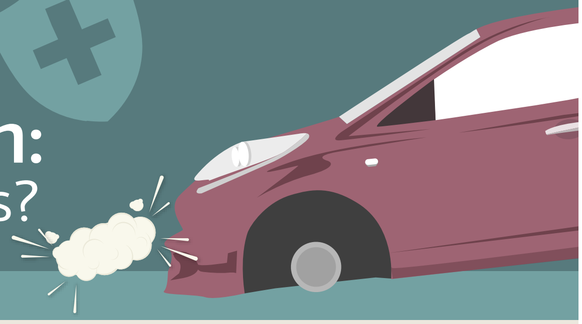
Emergency cash:
What are your options?



If you're hit with a pricey car repair or other emergency, you may need money fast. If you don't have an emergency fund or other savings to tap into, you may feel as if there are no good options. By carefully weighing your choices, you can make sure you secure the best possible terms for your situation, with the least risk.

LOWER RISK

Before you borrow, negotiate existing debts

You may be able to negotiate better terms or reduced payments on existing debts. Maybe you can refinance an existing loan, or adjust the terms with a lender or biller so that the payments are more affordable. Or maybe your student loan provider will grant you a period of forbearance. That may free up cash to put toward your emergency.

! Risks: Minimal. You might face fees to refinance debts, or penalties for delaying payment.

Talk to friends or family

If a friend or relative is willing to lend you money to help you through a rough patch, you may be able pay very low interest on the loan.

! Risks: If you default or disagree about the terms, it could sour the friendship or family relationship. It wouldn't, however, affect your credit score.

Look to employers, credit unions or banks

Some employers offer low-interest loans to help workers through temporary financial hardships. Credit unions and banks also offer personal loans.

! Risks: Borrowing always carries a risk since you need to pay it back. However, you'll often pay a lower interest rate for a personal loan than a cash advance from your credit card or a payday loan.

Take a cash advance from your credit card

A cash advance from your credit card gives you immediate access to funds.

! Risks: In addition to charging a higher interest rate on advances than on charges, credit card issuers often charge cash advance fees (either a percentage or flat rate). Plus, interest could start accruing immediately. If you have the option, covering the expense by charging it is likely a better option.

Borrow from your retirement funds

Loans are not permitted from IRAs, but your employer-sponsored 401(k) plan may allow you to borrow from your retirement savings. The government sets limits on how much you can borrow, and you must repay within five years unless funds are used to buy your primary home. Interest rates are determined by each plan.

! Risks: If you lose your job or decide to leave, you'll need to repay the balance immediately or face big penalties. You'll also miss out on growth in your retirement account.

HIGHER RISK

Borrow against your home

If you have equity in your home, you may be able to borrow against it via a home equity line of credit (or HELOC). Since HELOCs are secured by the home, they typically carry a lower interest rate than a credit card or personal loan.

! Risks: **Loans may come with fees.** If you default, you risk losing the home to foreclosure.

Cash out retirement funds

You have the option of withdrawing money from both 401(k) and IRA plans.

! Risks: Cashing out a retirement account will typically trigger hefty taxes. In fact, if you're under 59 1/2, you may face a 10 percent penalty for early withdrawal plus an income tax charge. On top of that, you're putting your retirement at risk. Consider exhausting your other options first.

Take out a payday loan

Payday lenders give high-interest loans (rates are often 400 percent and may even reach 1,000 percent) for small amounts of money, and the borrower is expected to repay the debt when his or her next paycheck arrives.

! Risks: Because of those high fees, a majority of borrowers end up stuck in a cycle where they're forced to take another loan. The fees are so high that payday loans are a leading cause of bankruptcy. Consider exhausting your other options first.