

Has Your Job Been Terminated?



It's all over the news... State Government job cuts, eliminations, layoffs, terminations. No matter what you call it, the result can be a major financial setback. The paychecks stop coming but the bills do not.

In an effort to provide some financial breathing room, the Credit Union Board has agreed to extend loans for up to 90 days for members who have experienced a recent lay off. These loans include mortgage loans, personal loans and credit cards.

In addition to the deferred payment options, members in this situation might wish to consider an evaluation or consolidation of current debts. Debt consolidation can help a person gain better control of monthly expenditures and can even reduce interest charges, especially if high interest credit cards are being eliminated.

Another resource for financial counseling is BALANCE, a subsidiary of the Consumer Credit Counseling of San Francisco. BALANCE can provide SECU members a no cost review of current budgeting arrangements and offer assistance in developing a sound financial plan.

If maintaining a regular monthly repayment schedule is no longer feasible, communication with creditors is vital. Here are a few tips that will assist in this effort:

It is best to contact your creditors in writing and keep copies for your records. Letters allow you to explain the situation without being interrupted or redirected by the creditor and letters give both parties a record of your proposal. In the letter, a few basic questions should be addressed.

1. *How did you come to be in a financial hardship?* Creditors want to know what specific hardship is keeping you from meeting your payment obligations.
2. *What steps can you realistically take to remedy the situation at this time?* Evaluate your budget and determine if a partial payment is possible. If not, it is better to be honest up front than promise to send money that is not available.
3. *What are your plans for future income?* Creditors want to know if you are actively pursuing job sources. However, identifying employers is not necessary.

Losing a job can certainly create stress in all facets of a person's life, but SECU wants to do everything possible to help keep financial matters under control for those faced with job loss. For more information on deferred payment options, debt consolidation or any of the items mentioned in this article, contact your local branch office. The Credit Union is here to help.