



## THINKING ABOUT ACCEPTING RELIEF FROM YOUR MORTGAGE OR CONSUMER CREDIT LENDERS?

From Financial Coach, Debbie Burkham of the  
Elder Financial Safety Center

For those experiencing financial difficulties due to loss of job, reduction of hours, etc., what is best approach when seeking hardship assistance from your creditors? What are the potential consequences?

If you are facing financial hardship amid the COVID-19 pandemic, following are a few tips and suggestions to help you make decisions about what is the best course of action for you moving forward.

Do you have 3-6 months' worth of emergency savings for an event such as this? If so, go into crisis budget mode and utilize that emergency savings. What is a crisis budget? That means stripping any unnecessary expenses to stretch those dollars as much as possible and pay for basic needs – shelter, utilities, food, medications, and legally required insurance (automobile insurance).

If you don't have emergency savings and you are no longer drawing a paycheck, implement the crisis budget and apply for unemployment. Also, consider applying for one of the jobs that is currently hiring.

If you have creditors such as a mortgage, student loans, automobile loans, personal loans or credit cards and you are concerned about how you will pay these bills, contact your creditors to inquire about any hardship assistance programs. Some creditors are already extending offers of payment deferrals to their customers.

**NOTE:** If your credit rating is important to you, be sure to ask if accepting any hardship or deferment offers will negatively impact your credit. If so, find out how will your credit be impacted. Sometimes, payment deferral or hardship assistance results in late payment to your credit report.

Get all the facts before deciding. Dallas area residents can speak to an EFSC Financial Coach for personal guidance.

### Resources:

National Foundation for Credit Counseling – to locate a Certified Credit Counselor and HUD Certified Counselors in your area 800-388-2227

Dallas County Home Loan Counseling Center – HUD Certified Housing Counselors 214-819-6060