

# PRIORITIZE YOUR BILLS



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**Financial Success = Being in Control of Your Money**

Your income does not determine how successful you are – your choices and priorities do, even in trying times. Take time to make a plan to minimize any potential damage until you are back on your feet.

## #1 BILL



### MORTGAGE OR RENT

Your mortgage or rent should be the first bill that you pay. Having a roof over your head is essential for survival, health, and safety. Not making payments can eventually lead to evictions.

If making payments are impossible or you're working on a reduced income, [check out your options](#) for forbearance with federally backed mortgages, payment plans, and other options when working with your mortgage servicer or landlord.



## #2 BILL



### CAR LOAN

Transportation allows us to get to and from work, pick up essentials and provides us the freedom to go to our desired destinations. Not making payments can lead to serious consequences, such as repossession, which we want to avoid at all costs.

If you cannot make your payments call your lender. They may be willing to work with you on payment plans, modifications, or [hardships](#).



## #3 BILL



### UTILITIES

Having a roof over our head means having the responsibility of utility bills. If a service is needed and cannot be paid, it's important to reach out to your utility companies to get ahead of any potential shut offs or discontinuations of services.

If you're having trouble paying a utility bill call your provider and inquire on payment arrangement options or assistance programs for people [facing economic hardships](#).



## #4 BILL



### CREDIT CARDS

Most creditors don't take legal action right away. If making your required payment is difficult, contact your creditors about hardship programs.

Take advantage of CAFCU's [free financial counselors](#) who can help work with your creditors.



## #5 BILL



### STUDENT LOANS

The immediate consequences of not making your student loan payments can negatively affect your credit report and score. Due to the recent economic events and recently passed bills, federal students loan payments have been forgiven through [September 30, 2020](#).

If your student loan is private, reach out to your lender for payment arrangements or hardships.



When there is not enough money to pay for everything, it is easy to panic. DON'T. Instead, [focus on what you CAN DO](#). You may not be able to control everything that happens in your life, but you can choose what bills to pay first and [how to deal with creditors](#).

#### Keep a Paper Trail

If you know you won't be able to meet your financial obligations, be proactive and reach out before you miss that due date. It's crucial to document each conversation and the commitments made between you and your creditor. Keeping a paper trail will bring greater accountability to you and your creditor.



#### Don't Wait

Take the first step and contact your creditors before they get the chance to charge you a fee or penalty. This will allow you to keep your accounts in good standing before it affects your credit.



#### Offer Specific Solutions

You may ask for:

- > A hardship plan (lesser or no payments for a specific period)
- > Reduced or eliminated fees and interest
- > Paying interest only on the debt until you can resume making monthly payments
- > A settlement (a lump sum payment that is less than the balance due)



#### Be Honest

Financial institutions are operated by people just like you. Know that they're willing to work with you, but need complete honesty. Explain why, even if the reason causes embarrassment. We all make mistakes and sometimes situations are completely out of our hands – either way be truthful.



## HOW TO COMMUNICATE WITH A CREDITOR



#### Take It Up a Level

Ask to speak with a manager or supervisor regarding your account. They usually have more authority to strike a deal or make payment arrangements than customer service representatives.



#### Stay Calm

Rather than succumbing to tears, threats, or panic, keep your cool. Getting overly emotional can cloud thinking and you could say something you later regret (e.g., "Go ahead and sue me then!").



#### Negotiate

If a creditor makes an offer to settle on a debt, don't hesitate to ask for a further reduction. It doesn't hurt to try.



#### Be Conservative

Though it can be very tempting to offer more than you can realistically afford in a time frame you probably can't meet, don't do it. If you think you can send a payment in two months, ask for three. If you make a payment early, great, but make sure you can successfully meet all your deadlines.

