

CREDIT COUNSELING, BUDGETING, AND MONEY MANAGEMENT SERVICES

Unemployment can be difficult without the added burden of credit and financial problems. Credit Counseling Services provide confidential financial assessments, counseling, and assistance to individuals facing credit and financial difficulties. Assistance may cover budget and money management instruction, crisis problem solving (utility shut-off, eviction), and guidance through longer-term credit problems related to mortgages, taxes, wage garnishments, or secured or unsecured loans.

Recognizing the Problem

According to Green Path Debt Solutions there are 10 warning signs that may indicate that financial problems exist.

- Not knowing your monthly living expenses
- 20% of take home pay goes to debt payments
- Taking out loans to pay for regular living expenses
- Unable to pay the mortgage or rent, and utility bills and receiving shut-off and collection notices
- Overspending
- Finances have never been good and your more often in financial trouble than not
- Difficult to keep or hold down a job for a long period of time
- In need of a cosigner for loans
- Seeking out a debt consolidation loan when there is an income change
- Experiencing a crisis situation

Financial Stress

Financial problems almost always lead to financial stress. Green Path Debt Solutions

has identified 4 factors that may lead to financial stress.

- There is no action plan
- Communication breakdowns between family members
- Inability to make important decisions
- Uncertainty and lack of security

Establishing Priorities

Establish payment priorities and develop action plans to help alleviate the confusion and stress. Green Path Debt Solutions has come up 4 immediate ways to help get back on the road to reduction

- Meet all the financial obligations that could effect the well-being of the family.
- Make sure the mortgage or rent, utility bills, and car payments get paid first.
- Use any extra income such as tax refunds, insurance checks, or severance pay to keep bills current and don't prepay bills more than once a month.
- Reduce expenses, stop charging, and start saving.

Credit Counselors

Credit counselors provide financial assistance to individuals that have questions about or need help with their financial situation. Green Path Debt Solutions have developed 8 key questions that determine whether or not credit counseling is needed. If you answer "Yes" to one or more of the following questions, credit counseling may benefit you.

- Are you behind on your house payment?
- Are you behind on your utility bills?

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Credit Counselors (cont'd)

- Do you feel credit obligations are so high that it is difficult to have money for food, clothing, and children's expenses?
- Are creditors sending second reminders, collection notices, or threatening court action?
- Do you and your spouse frequently disagree on how money should be spent?
- Do you feel you have lost control of the family spending?
- Do you only pay the minimum balances on your credit cards?
- Have you taken cash advances to pay on other bills more than once?

Reducing Debt

Reducing debt is never easy. However, with the assistance of a credit counselor and an established action plan, reducing does not have to be difficult.

- Prepare a budget
- Cut expenses
- Determine the amount of extra money leftover from paying the bills and send it to the creditors.
- Compare the interest rates on your loans and pay those with a higher rate first.
- Shop for cheaper interest rates.
- Stop charging!

Other Assistance

Local community action agencies may have funds available to assist with mortgage, rent, and utility bill payments. In addition, if purchasing food and clothing for yourself and your family has become a problem there are agencies that provide these services too.

(Please see the sections on food assistance, rent and mortgage assistance, and utility assistance for contact information).

Credit Counseling Centers

Church of the Messiah Housing Corp

Information.....(313) 567-7966

Consumer Credit Management

Information.....1-888-821-HELP

Green Path Debt Solutions

(Formerly Credit Counseling Centers)

Toll Free.....1-800-550-1961

Allen Park.....(313) 381-1659

Detroit.....(313) 872-2401

Monroe.....(734) 457-0370

Westland.....(734) 326-4466

Website.....www.debtelpnow.com

Wayne State University

Information.....(313) 577-8852

Budgeting Services

Detroit Non-Profit Housing Corporation

Information.....(313) 961-0024

Jewish Family Service

Information.....(248) 737-5055

Learning Institute of Family Education

Information.....(313) 342-0006

North American Indian Association of Detroit

Information.....(313) 535-2966

Your Debt Elimination Homepage

www.geocities.com/WallStreet/Exchange/1736/

E Debt Consolidation

www.e-debtconsolidation.com

Credit Card Tips

Nellie Mae

www.nelliemae.com/managingmoney/cc_tips.html