

# FINANCIAL DIFFICULTIES

## Signs of Financial Trouble

If any or all of the following signs apply to you, you may need help with your finances and should visit your base financial counselor:

- 1) You are only able to make the minimum payment on a credit card for two consecutive months;
- 2) You are making late payments, have missed payments, or have to juggle payments because your take-home pay isn't stretching far enough;
- 3) Your total credit card debt is more than your monthly income;
- 4) You don't have any savings.

## If You Have Credit Problems

Contact your creditor **before** a payment is late. Ask to waive late fees, reduce the interest rate, and/or work with you to establish a payment schedule that will work for you.

## Debt Management/Debt Settlement Companies and Proraters

It isn't necessary to utilize agencies for help with your debts. You can negotiate directly with debtors, or ask base financial counselors to help. Be careful—just because a debt management agency claims to be “non-profit” doesn't guarantee the services are legitimate or affordable.

For assistance with credit problems and creditors, go to **National Foundation for Credit Counseling** [www.nfcc.org](http://www.nfcc.org) or call Toll-Free 1-800-388-2227.

## Loan Modification and Foreclosure Companies and Consultants

These companies and consultants typically offer to renegotiate an existing mortgage, or prevent foreclosure in exchange for a large up-front fee. Unfortunately, distressed homeowners end up paying for services that may be available for free, or receive no help despite paying the fee.

**Help is available**—servicemembers or military families who are experiencing financial difficulties with a mortgage, need to renegotiate a loan, or prevent foreclosure, should immediately seek free legal assistance on base. Be sure to ask whether the **Servicemembers Civil Relief Act (SCRA)** would apply to your specific circumstances. To locate legal help, go to <http://legalassistance.law.af.mil/content/locator.php>

### **If You are Facing Bankruptcy**

Recent federal law requires mandatory credit counseling before you can declare bankruptcy. **The U.S. Department of Justice Trustee Program** approves organizations to provide mandatory counseling **before** you can declare bankruptcy, and mandatory debtor education **after** you declare bankruptcy. Go to [www.usdoj.gov/ust/eo/bapcpa/ccde/index.htm](http://www.usdoj.gov/ust/eo/bapcpa/ccde/index.htm)

You can download a useful publication from the **Federal Trade Commission**, "*Before You File for Personal Bankruptcy: Information about Credit Counseling and Debtor Education.*" Go to <http://www.ftc.gov/bcp/menus/consumer/credit/debt.shtm>

### **Military Financial and Legal Services**

Servicemembers and their families are eligible for free financial and legal assistance. Explore your options with people you can trust, not someone who's earning a commission off your decision.

- If you need assistance with your finances, please contact your **base financial counselors**. They can help you review your financial situation and assist you to develop a personalized money management plan.
- If you need legal help, **free military legal assistance** is available on base or go to <http://legalassistance.law.af.mil/content/locator.php>.
- Every service branch has **service aid societies** to provide advice and emergency financial assistance to servicemembers and families. For a complete listing, go to [www.ourmilitary.mil/service\\_aid.shtml](http://www.ourmilitary.mil/service_aid.shtml)

For other helpful organizations, go to [www.ourmilitary.mil](http://www.ourmilitary.mil) (under "Support for Our Troops" on the right-side column).