



From Setback to Comeback:

Navigating Financial Challenges
with Confidence

Act early and act fast

- ▶ As soon as you realize you are struggling, act
- ▶ Call your creditors
- ▶ Let them know what is going on and how long you think it will last
- ▶ Ask for options- Most creditors offer tools to help members/customers recover
- ▶ The earlier you act; the more options your creditors will have to help you avoid negative impacts
- ▶ Get creative with ways to create sources of money
- ▶ If you cannot make a whole payment, pay as much as you can instead of skipping payments

Common Collection Tools

- ▶ **Extensions-** Many creditors offer some sort of extension program for members who are struggling- these normally are granted prior to accounts going delinquent
- ▶ **Refinance-** If you are not late but looking for options to reduce your payment, ask if you are eligible to refinance your loan- this is not always an option, but it can help with loans that you have had for a while
- ▶ **Payment plans-** these are designed to help break payments up over time to help reduce the size of the required payment
- ▶ **Reage-** This tool is not universal to all creditors and it is used once you are already late but are starting to recover
- ▶ **Settlement-** If a creditor is willing to take a lower amount for the debt, it is called a settlement- there are impacts to your credit with this option

Do not avoid your creditors

- ▶ Unfortunately, if your creditors do not hear from you and are unsuccessful in trying to make contact, they may take other actions
- ▶ Negative credit bureau reporting
- ▶ Denial of services
- ▶ Right of offset
- ▶ Warrant
- ▶ Judgement
- ▶ Garnishment
- ▶ Your creditors would rather try to work with you than to take these actions so contact them

Rebuilding

- ▶ Most financial difficulties are temporary- they are caused by job loss, health issues, death in the family or unexpected expenses
- ▶ The key to rebuilding is controlling what you can control- contact your creditors, create a plan and stick to it – GreenPath is a free resource for VACU members (Be wary of 3rd party debt managers with offers that seem too good to be true)
- ▶ If you do not have a budget, create one- while you struggle, focus on only needs and sacrifice the wants
- ▶ Pay what you can and show your creditors you have a desire to take care of your financial obligations – stay in touch and provide updates
- ▶ Once you are back on your feet- catch everything back up as soon as possible
- ▶ Add your utilities and rent to your credit bureau to help your score (once you are able to pay them on time and in full)- Pay your rent, Self and eCredable
- ▶ Monitor your credit regularly- [AnnualCreditReport.com](https://www.annualcreditreport.com)

Protecting your accounts from Fraud

- ▶ Be extremely suspicious of strangers asking you to send, wire, transfer, or withdraw funds.
- ▶ Don't share your account information or account number.
- ▶ Use multi-factor authentication when possible.
- ▶ Keep an eye on your accounts; regularly check your account activity and credit report.
- ▶ Keep your cards, PINs, Receipts, & log-in information private & secure – and dispose of them carefully.
- ▶ Electronically lock cards when not in use
- ▶ Be aware of common spelling and grammatical errors in emails or text messages.
- ▶ If it sounds or feels too good to be true, it probably is.

Things you can do if you fall victim to a scam:

- ▶ Contact your financial institution
- ▶ Contact the companies where the fraud happened
- ▶ Report to your local authorities
- ▶ Report the theft to the IC3 (Internet Crime Complaint Center)
- ▶ Report the fraud to the FTC (Federal Trade Commission)
- ▶ Put a freeze on your credit report
- ▶ Monitor your bank accounts/activity
- ▶ Have your electronic devices scanned for malware
- ▶ Visit - <https://www.identitytheft.gov/Steps>