

Steps you can take



**to protect yourself
financially during the
Coronavirus crisis**

When you are facing a financial crisis, life can feel out of control. But there are some things you can and should do to regain control- and the quicker, the better. This is the time to cut unnecessary expenses and look for new ways to generate income.

| What to do

Stay calm and try to stay positive. We are all dealing with this crisis worldwide. Let's talk to the experts and create a solid plan to help weather the storm.

Remember the old adage which reads:



**Grant me the serenity to accept
the things I cannot change,
the courage to change the
things I can,
and wisdom to know the
difference.**



Step 01

We must accept the fact the Coronavirus is here and our primary concern needs to be the health and well-being of those in our families and communities. Visit www.coronavirus.gov for more information.

Stay home when you can, especially when you cannot be mindful of your surroundings.



If you have been in a crowd or have high risk people living with you, take off your shoes and all outerwear before entering the house.



Those items which can easily be washed should be placed directly into the washing machine, then wash your hands again.



Avoid anyone who appears to be sick. Keep a safe distance from everyone else; six feet is recommended.

While you are out, avoid touching anything and when you do, use hand sanitizer until you can wash your hands rigorously for at least 20-30 seconds with soap and water.



Step 02

Let's control the things we can.



Start with your breathing:

Take a deep breath and direct your focus on positive thoughts to help you and your family get through this crisis.



Assess your situation:

When any crisis event happens, you need to make changes to your spending habits quickly in order to survive financially until things get back to normal.

- ✓ Are you still working?
- ✓ Is your spouse working?
- ✓ Do you have money in savings?
- ✓ Do you have marketable skills which can help you get a new job in this changed economy?
- ✓ Can you get overtime or obtain freelance work?
- ✓ What monthly obligations (expenses) do you have?
- ✓ Which expenses are essential and which are not? Prioritize the most urgent expenses.



Step 03

Create a personal crisis budget.



This is not the time to wait and see what happens. Involve your family in this step of financial planning. Discuss the things you will do as a family to help with the uncertainty. This is especially reassuring to kids who are paying attention to the news and may have concerns of which you are not aware.

It's important to know that you are not alone and that there is hope. Family Credit Management is here to help. We are a non-profit credit counseling agency and our certified credit counselors have been helping people for nearly 25 years. We have brought together our knowledge along with benefits the government offers such as unemployment and disability insurance and other free services available to you. Our counselors are available now to work with you to create and analyze your monthly household spending plan or budget. This gives you a complete assessment of where you are at this moment in time. From here we can work through each of the items you have within your control. Remember, the situation we are facing is fluid and more resources could always become available.



Let's Get Into It!

| Income

If you have reduced income due to job loss or layoff, replacing this income should be your priority. Update your resume and look for employment. Family Credit Management has a free resume review service to help. Simply email your current resume to resumereview@familycredit.org and one of our experts will provide feedback. Even if the job ends up being only temporary until the crisis ends, some income is better than no income. There are an abundance of jobs in grocery stores stocking, warehouse, and food delivery. Some businesses are using virtual meetings such as Zoom and Screen Share software to complete training, so be creative and keep searching.

| Unemployment

As you are looking for a job, you should file for unemployment. The United States unemployment website, [usa.gov/unemployment](https://www.usa.gov/unemployment), will allow you to search for eligibility requirements for your state and particular situation. You may be eligible for unemployment even if you still have a job, but are not being paid because you are subject to shelter-in-place, quarantine, furlough, or a lay-off. Unemployment insurance programs pay you money if you lose your job through no fault of your own. However, you must meet your state's eligibility requirements. Don't forget, if you do qualify for unemployment benefits, you must report it as income on your tax return.

Each state runs its own program. You may be able to file online, by phone, or in person. If you file online, you may select your state from the map provided on the homepage. It will then walk you through the application process.



Some states provide extended benefits when there's high unemployment, such as from the Coronavirus crisis. Extended unemployment insurance benefits last for 13 weeks. You can apply for extended benefits only once you've run out of regular benefits. Check with your state to see if you qualify.

If you are struggling to figure out where to start your job hunt visit [CareerOneStop.org](https://www.careeronestop.org). This website can help with unemployment insurance benefits, job training, and finding a job.

| Social Security Assistance

Social Security can help through their toll free phone (800) 772-1213 or its website www.ssa.gov/benefits. You can select "Subscribe" to receive alerts from the Social Security office when they have Coronavirus benefit updates.

| Paid Leave

The Coronavirus emergency relief package, which includes the Families First Coronavirus Response Act, gives workers paid emergency or sick leave if it is due to the current crisis. Qualified workers can get two weeks paid leave if they are sick, quarantined or caring for sick family members. These benefits may extend to child care needs for children home because day care or schools are closed. Contact your employer for more information regarding paid leave. These provisions take effect on April 1 and expire December 31, 2020.



Essential Expenses

Review your current monthly expenses. Which are essential (needs, such as rent or mortgage) and which expenses can be easily cut (wants, such as eating out or cable TV) now? You should be in battle mode right from the start. Make the hard decisions now, even if you have money saved for emergencies. Nobody knows how long this virus will be around.



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Rent and Mortgage

Your most important expense is your rent or mortgage. While creating your emergency budget, having income going towards a roof over your head should be the priority. In the event, this is not possible, Fannie Mae, Freddie Mac and the Federal Housing Administration announced that they would cease to evict or foreclose on homeowners for at least 60 days. This includes foreclosures already in progress. Fannie Mae and Freddie Mac also said they would provide payment forbearance to borrowers affected by the Coronavirus which allows for a mortgage payment to be suspended for up to 12 months. Contact your loan servicer (contact information will be clearly stated on your monthly statement) for more information.

If you think you won't be able to make your mortgage payments for more than a couple months, talk to a HUD certified housing counselor.



In some circumstances you can apply for a loan modification or defer payments for a period of time. Check out [hud.gov](https://www.hud.gov) for more information and countless resources.

If you are unable to keep up with your rent payments, contact your landlord right away. For additional help, [Justshelter.org](https://www.justshelter.org) is a great resource. They offer information on local organizations that can provide advice to renters in distress.

Help with Groceries

In a time of crisis, having enough food to eat is not something which could be easily cut from your expenses. If you are struggling, there are many food pantries across the nation which can offer assistance. The USDA National Hunger Hotline 1-866-348-6479 (1-866-3-HUNGRY) and [Foodpantries.org](https://www.foodpantries.org) can help. [Foodpantries.org](https://www.foodpantries.org) allows you to choose your state and it lists any and all local food pantries, soup kitchens, food shelves and food banks in your area.

There are also many school districts around the country providing brown bag lunches for school age children. Visit your school district's website or social media page for information about your specific area.

The website [usa.gov/food-help](https://www.usa.gov/food-help) provides information and helps with food costs after a disaster, including immediate food aid and food stamp benefits which include for women, infants, school age children and seniors.



food pantries
soup kitchens
food shelves
food banks



Utilities

The next priority should be to keep your electricity, gas and water on. Some utility providers may offer assistance or even have a global crisis policy in place to automatically not turn off your service for nonpayment.

In response to the Coronavirus, the FCC (Federal Communications Commission) [fcc.gov/keep-americans-connected](https://www.fcc.gov/keep-americans-connected) has set up a Keep Americans Connected Initiative which is working with service providers to pledge to not allow the loss of internet or telephone connectivity due to an inability to pay through the middle of May as well as waiving any late fees during this time. The full list of those providers who have agreed is available by clicking the link reading “Display list of companies and associations that have signed the pledge” or if you have any concerns you should call your service provider directly.

Tax filing

The federal government has moved the tax filing deadline for 2020 to July 15th. You won't have to file or make payments until the stated tax filing deadline. No interest or penalties should be applied.

Verify if your state income taxes are also following the federal guidelines. While most states are following the federal government's lead, some haven't- so you may have to file state returns as scheduled unless delayed as well.



| Student Loans

If you are concerned about being able to pay your student loans, the website studentaid.gov/announcements-events/coronavirus has information which can help you during this crisis.

You may be able to temporarily stop making your student loan payments. To provide relief during the COVID-19 national emergency, federal student loan borrowers can be placed in an administrative forbearance, which allows you to temporarily stop making your monthly loan payment.

Payments on federal student loans can be suspended for 6 months without penalty thanks to the CARES act. Contact your loan servicer for details and eligibility requirements.

Interest should not be charged while payments are suspended, and the waiver should not affect your credit score.

If income has changed dramatically, it may be better for you to enter into an income-driven repayment program. This plan require an annual application and low income borrowers who qualify often end up with no monthly payment due as long as their income does not increase. Contact your loan servicer to find out if your loan is eligible and for your specific options.

If you don't know who your servicer is or how to contact them, visit StudentAid.gov/login or call 800-433-3243.



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Help with Debt and Credit Cards

If you've lost your job, don't just skip a payment. Credit card issuers will charge late fees and could raise your interest rates on borrowers who miss monthly payments. If you alert your card issuer right away, you can mitigate the damages. Many consumer lenders (creditors) are offering help during this crisis. Some lenders (banks, credit unions, etc.) may let payments be skipped with or without interest accruing, waive late or over-limit fees and some allow borrowers to defer loan payments. For example, Wells Fargo is waiving all interest and payments for 90 days (April, May and June) and Capital One is waiving April's normal monthly payment. Contact your creditors to request help.

If you are struggling with debt or paying too much credit card interest, Family Credit Management can help. By talking with an objective, experienced credit counselor we can help you create a crisis budget, set up an emergency savings account, get your debt under control or just consolidate your credit cards to have one easy monthly payment with lower interest rates.

Reviewing all other expenses

Once you have created your Crisis Budget, we recommend reviewing all other expenses to find additional ways to save money. Our brochure *100 Small Ways to Save BIG* is a great place to help you to reduce all other expenses. It is available free on our website www.familycredit.org, in the resources section. Simply go through each item and follow through as suggested for small (and some big) ways to reduce your overall expenses.



Additional assistance



Your local [211.org](https://www.211.org) is a great resource which includes everything from food assistance programs to medical expense options, unemployment resources, or even internet resources for those working or learning from home.



As an absolute last resort, you can discuss stopping retirement with your financial advisor, but you should not stop your 401 (k) contributions, you will lose the long-term dollar cost averaging benefit when the markets bounce back. And, as a last resort you may also be able to take a penalty-free withdrawal from your 401K, but use caution, this may hurt you more long-term.



Family Credit Management Services Certified Credit Counselors offer free budget review advice to distressed individuals by calling 800-994-3328, option 1.



Consider refinancing your mortgage. Mortgage rates are low right now. Visit [Bankrate.com](https://www.bankrate.com) and click on "Mortgage Loans" for competitive mortgage rates and see if you can take advantage of lower rates.



Be aware of phishing, scams and people who work to take advantage of us during this worldwide crisis. As always, if it seems too good to be true or someone tells you they can offer a service at reduced rates, please be skeptical and call the company directly yourself.



How can you help?

Make sure to follow all guidelines given by healthcare professionals. In the case of a virus like this, it is vital that we are doing what we can to keep ourselves and everyone around us healthy and safe.

If you are not struggling financially, and you have a plan in place for if your situation changes, offer help to your friends, family and neighbors who may be home-bound due to this Coronavirus crisis. If you are helping someone who is at high risk, use all the standard precautions to not infect them, including using plastic gloves, and leaving the groceries outside the door rather than bring them in the house for them.



800.994.3328
www.familycredit.org