

MONEY MATTERS



Trouble Making Ends Meet? Don't Hide From Creditors

(NAPSA)—For the average American household, using credit is a part of everyday life, whether in the form of a mortgage, car loan or credit cards. Wise use of credit allows us to buy the things we need. However, with a sudden change of circumstances—such as a loss of job, death in the family, divorce or even a natural disaster, previously affordable payments can become significant financial problems.

If you're having a hard time making ends meet, calling your creditors is probably the last thing you want to do. Yet Consec Finance Corp., one of America's largest consumer finance companies, advises that people "call, don't hide" from creditors.

"Most people aren't aware that creditors have a number of options to relieve their customers' financial stress," says Mark Shepherd, executive vice president and chief operating officer of Consec Finance. "The fact is, the sooner you tell your creditor you're having a problem, the easier it is for them to help you."

Don't be tempted to make promises you won't be able to keep, but make it clear to your creditors that you plan to work with them to pay your debts. If you absolutely have to renegotiate, contact your creditor before you miss a payment so at least they understand the reason why the payment will be late.

According to Shepherd, creditors often make exceptions for customers who are experiencing hardships. So if you find yourself unable to make your monthly payments, the National Foundation for Credit Counseling (NFCC) suggests the following steps:

Seek help. Trying to solve your financial problems alone can be overwhelming, but help is available. NFCC member agencies have well-trained counselors who will help examine ways to solve your current financial problems. They will help you review your financial situation and provide possible solutions. They can help you



Calling your creditors is the first step to getting your finances back in order.

develop a spending plan that covers both your living expenses and payments to your creditors. Call 1-800-388-2227 to find the nearest NFCC member office.

Develop a realistic repayment plan. A credit counselor can help you develop this plan and, if you have severe debt, may suggest you enroll in a Debt Management Plan (DMP). A DMP is a systematic way to pay down your outstanding debt. You agree to deposit funds with the agency each month, which is sent to your creditors. By participating in this program, you may benefit from reduced or waived finance charges and fewer collection calls.

Call, don't hide from your creditors. Creditors are realistic, and in most cases they'll work with you, especially when a sudden change of circumstances means you're unable to make your payments. Many creditors, including mortgage lenders, have a variety of ways in which they can help you deal with your new financial circumstances. Remember, your creditors would much rather keep you as a customer than lose you to bankruptcy or foreclosure. Contacting your creditors can also help you protect your credit rating, which is the all-important factor in your ability to secure future loans.

For more information on managing credit, visit www.nfcc.org. To learn more about Consec Finance, visit www.consec.com.