

## Inside This Issue

Tackle Debt in Advance P.1

Golden Rule P.2

Golden Rule Continued P.3

NSLFCU Updates P.4

## Tackle Debt in Advance

Entering the new year with debt can be challenging, especially if you are behind in making payments. Studies show that those who fall delinquent on loans or credit card debt by 60 days or more are much less likely to pay back the debt at all. The key to effectively getting out of debt is not becoming delinquent. This issue of NSLNEWZ focuses on how to be proactive about getting out of debt when undergoing financial hardships as well as what to do if you fall behind on making your payments.

## NSLFCU HOURS

- ◆ Tuesday: 9am-6pm
- ◆ Wednesday–Friday: 9am-4pm
- ◆ Saturday: 9am-1pm
- ◆ Sunday & Monday: Closed

## Holiday CU Closings

New Year's Day

January 1

Martin Luther King Jr. Day  
(Observed)

January 13

Good Friday

March 30

## Option 1: Move Your Payment Due Date

If you are current on your credit card bills or loan payments, your creditors may allow you to advance your payment due date to a date that's more convenient for you. So instead of struggling to make that payment on the first of every month, you could ask to have the due date changed to whichever date is more convenient for your budget. Depending on the lender, this option may not be available for the month you are making the request, but can be put into place for the following month. So be sure you plan ahead.



## Option 2: Defer Your Loan Payment

If you have taken out a loan and you are current on that loan, ask your lender about their deferment policy. Some banks will allow you to skip a payment and add it to the end of the loan. They may require you to pay the interest portion of that skipped month's payment, but that will likely be substantially lower than the full payment. The lender will normally limit the number of times per year or over the life of the loan that you can defer a payment. However, every lender has a different policy and they may require you to be current on the loan to exercise this option. It is best to anticipate the problem before the payment is late, and then ask for the deferment.

## Option 3: Refinance Your Loan

If you have taken out an auto or personal loan, it is possible to refinance your loan to get a lower monthly payment. Refinancing may make the loan term longer and it may increase the amount you pay in interest over the life of the loan, but it may also bring down your monthly payment to an amount that's more affordable to your budget. Since this option is equivalent of requalifying for a new loan and paying off the old one you must be sure that your credit report, credit score, and loan payment history with the institution is in tiptop shape.

## GOLDEN RULE

*Don't wait until you're behind in making payments to contact your creditors. Contact them as soon as you foresee a problem. If you are current on your loan or credit card payments there are different options that are available to you than there would be if you wait until you're late.*

## **GOLDEN RULE CONTINUED**

*If you do fall behind on your payments **contact your creditors immediately! Do not avoid their phone calls.** If you haven't yet received any phone calls, do not assume that everything is okay. Creditors do not know your situation until you disclose that information to them. So inform your lender about your financial situation. Even if you haven't heard from the bank or credit card company, that doesn't mean damage isn't being done to your credit report, your credit score, and your lender's willingness to work with you.*

### **Option 4: Create a Budget**

If you can no longer afford to meet your monthly monetary obligations, then it is time to redo your budget. **Financial hardship is not an excuse to stop paying your bills.** However, your creditors may be willing to accept a lesser amount for a specified time frame as long as you communicate that hardship to them. But before you agree to pay any amount they suggest, you must figure out what you can afford to pay each month. With a proper budget you will be able to see where you are spending your money and what expenses you might be able to cut in order to meet your monthly obligations and catch up on delinquencies. If you need help creating a budget and understanding where you could cut back, contact

the FTHCM Financial Stewardship Ministry at 301.899.9411.

### **Option 5: Work Out a Payment Plan**

Once you work out how much you can afford to pay each month, contact your creditors and explain your financial situation. You may be able to work out a payment plan to satisfy your monthly requirement and any delinquent amount. Make sure the lender understands how much you can afford to pay and how long you may need to pay that amount. If you and the lender are able to come to an agreeable payment arrangement, send the creditor a follow-up letter or email to confirm the details of what was discussed. ***Then stick to the payment agreement.*** Defaulting on this new payment plan would result in even worse

consequences. If you run into any additional financial troubles ***call your lender and make them aware of your situation.***

### **Option 6: Consider a Consolidation Loan**

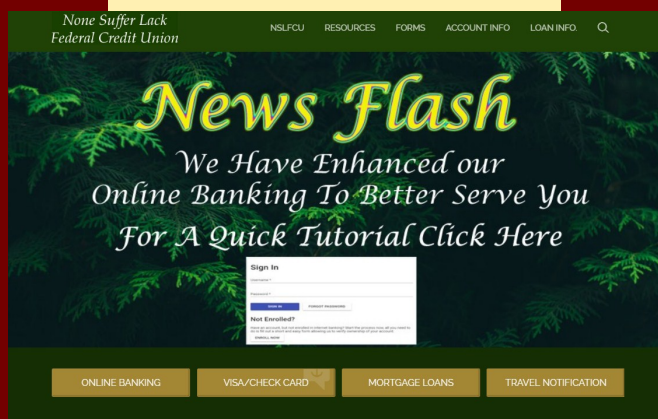
If you are not severely delinquent on your payments and have more than one loan or credit card, you may want to consider consolidating those debts into one monthly payment. Having only one lender to pay each month may be easier to manage than having multiple payments due dates. Also, debt consolidation loans often have much better interest rates than credit card companies or installment loans, saving you money in the long run. The key to maximizing this option is not to rack up those balances again once you've been approved for the loan and have paid off your creditors. Consider not using those accounts until you've paid off the new consolidation loan. Remember you must qualify for a debt consolidation loan, so a good credit score and credit report are essential to being approved.



## NSLFCU Updates!

### News Flash!

We've updated the look of our online banking! Click the image below for a quick tutorial on how our new online banking works.



For our veteran online banking users: Your login information is still the same.

### Consolidate Your Debt Today! \$15,000 at 6% for 48 Months\*!

The average credit card interest rate is around 20%. Personal loan rates can be anywhere from 10-15%. Now compare those rates to the None Suffer Lack Federal Credit Union's limited-time loan rate of 6%. Consolidate your credit cards and installment loans with a balance transfer to None Suffer Lack. Call us today and see how much you could save!

### APPLY TODAY!

\*This promotional rate has been extended and is available until January 31, 2017.

