



Consumer Credit Counseling Service
of Maryland and Delaware, Inc.

Helping people help themselves through Education, Financial Counseling and Debt Repayment

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HOW TO SURVIVE FINANCIALLY WHILE YOU LOOK FOR A NEW JOB

BALTIMORE, MD - Entering the summer, job loss and unemployment continue as economic concerns. The Bureau of Labor's most recent report confirms that 15 million Americans are out of work, and 2010 college graduates face a job outlook that remains near its lowest point in decades. If you are one of the many who face these challenges and prospects, don't lose hope. Instead, take action and strengthen your personal finance knowledge and skills. Here are some of the things you can do to ensure your economic survival while you look for your next job:

File for unemployment insurance benefits immediately. If you were recently pink slipped, don't let feelings of disillusion, embarrassment, or pride stand in your way. If you've been unemployed for awhile, Extended Benefits may be available when your current unemployment insurance payments run out. The basic Extended Benefits program provides up to 13 additional weeks of benefits if you live in a State that is experiencing high unemployment. Some States also have enacted a voluntary program to pay up to 7 additional weeks (20 weeks maximum) of Extended Benefits during periods of extremely high unemployment.

Take advantage of any assistance your workplace or campus offers. Companies often provide placement assistance, job retraining, and severance packages to employees they are downsizing. Before leaving work, make sure to ask about all benefits offered. If you are a college student, visit your on-campus Career Placement Center. These often provide personal assessment tools and maintain extensive employment and industry databases. Also talk with former instructors to see if they know about career-related job openings within the community.

Take advantage of online resources. Begin by visiting the Bureau of Labor Employment and Training Administration website (www.doleta.gov). It includes information about job training, worker dislocation programs, and grants given to State unemployment agencies. While you are there, check out the Find a Job and Career Info section. This page has free online resources to help you assess your career interests and skills. It also provides information about industries and how likely they are to be high growth and high paying. CareerOneStop (www.careeronestop.org), which is sponsored by the Bureau of Labor, has job search information and offers résumé and interview tips for students, seniors, or others who may need job search advice. The USDA's Food and Nutrition Service site (www.fns.usda.gov/fns) includes info on the Supplemental Nutrition Assistance Program, which provides food for people in need. Gov.Benefits.gov is a clearinghouse resource for many government assistance programs.

Make a financial inventory. At times like this, it's more important than ever to keep track of where your money is going: List all of your sources of income (spouse's job, alimony, pension, social security, etc.) and all of your regular expenses (rent/mortgage, food, utilities, insurance, transportation, etc.) and debts (loans, credit card balances). If you don't already have a personal budget, set one up. CCCS of MD & DE has an interactive budget form on its website (www.cccs-inc.org) that may be of help. CCCS also offers

free budget counseling at its local offices and by phone. To schedule an appointment, call 1-800-642-2227.

Find ways to cut your living expenses. Every dime you save now will put you that much closer to riding out the economic downturn. Strive to shave off \$10 on 10 monthly expenses: Some items, such as your rent, mortgage, or car payment, are not negotiable. But you can probably think of ways to save \$10 on costs like groceries, gasoline, and utilities. Also get rid of things you don't need: Downgrade or cancel your cell phone or cable / satellite package. Discontinue your monthly gym membership -- take walks and exercise at home instead. Avoid needless fees: Frequent stops at ATMS other than those affiliated with your bank can add up. Give up money-draining habits, such as smoking, playing the lottery, and online gambling. Finally, resist the temptation to spend recklessly. It may feel good at first, but it will leave you with even bigger problems down the road when your credit card bill comes due or your credit rating plummets.

Contact creditors to see if you can lower your payments. Student loan programs generally allow unemployed participants to suspend payments for fixed periods of time. Many credit card issuers have in-house help programs. When you call, explain your situation and what you're doing to resolve it. A creditor may be willing to temporarily lower your monthly payment and reduce interest. If you are unable to negotiate a payment plan, seek help from a reputable, local nonprofit credit counselor.

Avoid being financially duped. If you're already in serious debt, beware of companies that say they can automatically solve your problem. Not all organizations that offer personal finance help are alike. Debt settlement, which may also be called debt negotiation or arbitration, is not the same as credit counseling. It is a process through which creditors agree to accept less than the full amount owed, yet consider the balance paid. Unscrupulous debt settlement companies often advertise that they can negotiate reductions of 50 percent or more of the debt you owe. While this may sound good, it may not be true.

Debt settlement companies often charge fees that range from 13 to 35 percent of your total debt. In some cases, they may obtain these fees upfront before they start paying off your creditors. Some may ask you to stop paying your creditors and begin making deposits into a third-party account instead. If you don't accumulate enough money in this account to pay off the debt settlement company *and* your creditors, you could end up owing additional interest and late fees or even face legal actions such as wage garnishments from your creditors. When debts are paid through settlement, they generally show up as "Paid by Settlement" on your credit report. This may make it hard to get future loans or credit cards. You may even owe taxes on the forgiven debt you did not pay.

Discuss your situation with your mortgage lender or provider. When you call, be prepared to provide documentation of your job loss and have a clear resolution plan in mind. The Federal government and some States have set up housing programs to help consumers reduce their mortgage payments by refinancing or modifying their mortgages. To see if you qualify for a Federal housing program, visit www.makinghomeaffordable.gov or make an appointment for free HUD-approved housing counseling with a nonprofit agency like CCCS of MD & DE (1-866-731-8466).

Don't give up. Instead, focus on staying healthy and getting a job. Gain support and hope by sharing time with family and friends. Obtain job leads by attending employment fairs and networking with past co-workers, relatives, business contacts. If you find yourself in financial distress, don't wait until the problem gets worse. Seek immediate help from a qualified, compassionate outside source.

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Consumer Credit Counseling Service of MD & DE, Inc. (CCCS) is an accredited 501(c)(3) nonprofit agency that has served the local community since 1966. CCCS helps individuals and families resolve their financial and housing issues and gain economic self sufficiency through education and counseling. For further information about our vision, values, and services, please visit our website at cccs-inc.org. Maryland State License #14-01, Delaware State License #07-01.