

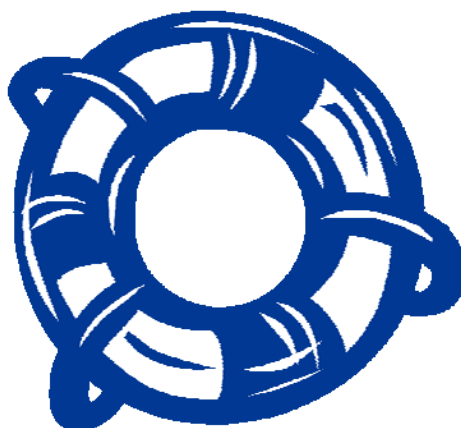
LIVE UNITED™



United Way
Manitowoc County, Inc.

SURVIVAL GUIDE

Resources for Tough Economic Times



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SURVIVAL GUIDE
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As our community faces difficult economic times, many families are facing new and increasing financial challenges – making mortgage/rent payments, controlling credit card debt, balancing decreased health benefits with shortened work hours, and more.

United Way Manitowoc County has developed this Survivor's Guide to help you through tough economic times. The information in this guide includes suggestions and specific resources for people who have been laid off, are out of work, or just need some general assistance in a time of need.

Contents include:

- I. What to Do When the Paycheck Stops**
 - A. Filing for Unemployment**
 - B. Assistance with Finding a New Job and Retraining for a New Career**
 - C. Continuing Medical Benefits**
 - D. Making a Financial Action Plan**
 - E. Dealing with Creditors**
 - F. Managing Stress**
 - G. Volunteer!**
- II. Accessing Healthcare**
- III. Housing Assistance**
- IV. Food Assistance**
- V. Utility Assistance**
- VI. Tax Preparation Assistance**

This comprehensive tool is available at: www.unitedwaymanitowoc.org

The agencies and resources listed in this Guide can also be found through 2-1-1 at:
<http://www.irissoft.com/I&R/>

I. What to Do When the Paycheck Stops

A. Filing for Unemployment

If you have been laid off from your job you may be able to file for unemployment. In Wisconsin, there are two ways to apply for unemployment benefits, or report a change of address:

1. File a Claim Online: <http://unemployment.wisconsin.gov>
2. File a Claim By Phone: 1.800.822.5246

Sunday 9:00 a.m. – 5:00 p.m.

Monday-Friday 6:00 a.m. – 7:00 p.m.

Saturday 9:00 a.m. – 2:30 p.m.

Claims Specialists are available Monday-Friday 7:45 a.m. – 4:30 p.m.

- Be prepared with the information you will need:
 - Social Security Number
 - Wisconsin Drivers License Number, if you have one
 - A Personal Identification Number or PIN (you make up before you apply)
 - Name and mailing address of all employers you have worked for in the past 18 month, along with telephone number, reason you are no longer working there, and your first and last dates of work
 - Your Alien Registration Number, if you are not a United States citizen
 - Name and local number of your union hall, if you are a union member

If you have general questions about unemployment benefits, visit the Wisconsin Unemployment Insurance Division's website at <http://www.dwd.state.wi.us/ui/>

B. Assistance with Finding a New Job and Retraining for a New Career

Looking for a new job can be a long, daunting and stressful process, but don't get discouraged. There are many resources available to help you along the way; from interview skills, resume assistance and job training, to job banks and placement assistance. Remember to keep your eyes open during your job search – the position for you could be posted in a store window, in a newspaper, on a coffee shop bulletin board or on a website.

Now might be the time to start or expand that small business. Help is available to budding entrepreneurs.

Manitowoc County Job Center (683.2888) provides help in many ways:

Hours: Monday 8:00 a.m. – 5:00 p.m., Tuesday-Friday 8:00 a.m. – 4:30 p.m.

- Staff can help you with: career counseling and assessment, education and training services, job search assistance, resume writing, financial support services, programs for specific populations, dislocated worker information.
- Learning Labs are available to help you finish a high school diploma, prepare for GED, improve your basic job skills, learn computer skills, and improve English skills.

RESOURCES:

Job Center of Wisconsin	http://jobcenterofwisconsin.com	1.888.258.9966
Lakeshore Technical College	www.gotoltc.edu	1.888.468.6582
Economic Development Corporation	www.edcmc.org	920.482.0540

C. Continuing Medical Benefits

Ask your employer about COBRA benefits

If you have been laid off due to downsizing and had medical benefits while you were employed, you may be eligible for COBRA benefits. COBRA provides an extension of your medical coverage for a specific period of time in which you are personally responsible for paying the premiums. Check with the company's benefits manager to see if you are eligible for temporary COBRA coverage. Under the Stimulus package, employers of 20 or more must offer a discount on the premiums. If you can exercise COBRA rights to retain your current employer's health insurance policy, do so. Even if you think you might be able to buy coverage at lower expense under an individual policy, COBRA can offer you good protection while you are choosing.

Take care of important medical issues

If you need significant medical care, do it now, while you're still employed and insured. While many medical procedures can't be timed, don't put off until tomorrow what you should do today, while you still have a job and/or medical benefits.

Explore other sources of coverage

If you have a spouse that is still employed and eligible for benefits, check with their employer to see if you and your family can apply for medical benefits under their plan. You do not need to wait for open enrollment to apply for benefits as loss of a job in the family is a qualifying event. Badger Care Plus provides low-cost health insurance for low-income, uninsured people. Call 1.800.362.3002 or visit www.badgercareplus.org to determine if you are eligible.

Get coverage for the children

BadgerCare Plus (BCP) provides free health insurance for low income pregnant women and children ages 0 – 19. BCP also provides low-cost health insurance for uninsured children ages 0 – 19.

RESOURCES

Badger Care Plus – WI Department of Health Services	1-800-362.3002
FamilyWize Prescription Discount Cards – United Way Manitowoc County	920-682-8888
Your Rx Prescription Discount Card – American Red Cross	920.684.6601

D. Making a Financial Action Plan

Getting control of your personal finances is a vital step to surviving unemployment. Look at your spending habits, and change them if you have to, so that you have control over where your money goes. By following the Action Plan in this and following section, you will improve your ability to deal with money problems.

Free Budgeting Classes and One-on-One Counseling are available

Catholic Charities Budget Counseling Program	920.684.6651
University of Wisconsin-Extension	920.683.4171

FINANCIAL ACTION PLAN

STEP 1: PREPARE A COMPLETE HOUSEHOLD BUDGET WORKSHEET

A budget helps you see where you spend your money and where you can save. Use a household budget worksheet as a guide. Do this together as a family project. Your budgeted expenses should include:

- **Fixed expenses** (including mortgage, rent, taxes, insurance, loans, installment payments, credit card payments, and any other monthly payments).
- **Monthly expenses** (such as food, gas, repairs, dues, recreation, prescriptions).
- **Future expenses** (income/property tax and other outstanding debts).
- Your budgeted income should include:
 - Income
 - Savings
 - Severance pay
 - Strike assistance
 - Unemployment compensation
 - State disability insurance benefits
 - Workers' compensation checks
 - Accrued vacation pay
 - Refund from pension funds

STEP 2: LIST OTHER ASSETS

Other assets may include:

- Cash value of insurance policies
- Prepaid burial or funeral policies
- Equity in your home (the difference between the value of your home and the amount you owe on your home)
- Resale value of vehicles (including boats and snowmobiles)

Now you are ready to adjust your expenses, negotiate with creditors, and use assets in the most effective way.

STEP 3: SET PRIORITIES FOR YOUR EXPENSES

Put your payments in order of importance, with the most important at the top, the next most important second and so on. This will help you pay first things first when money is short.

Generally, your most important payment will be the mortgage or rent, followed by utilities, health insurance, and car payments. If you are paying child support or alimony, these payments are also high priority.

STEP 4: MAKE A COMPLETE LIST OF CREDITORS

List the following information for *each* creditor:

- Total amount owed
- Payment scheduled and amount
- Account number
- Name, address, and phone number of the contact person

Determine how much you are going to be able to pay on each bill. Call the creditors if you need to negotiate a lower monthly payment. See “dealing with creditors.”

STEP 5: STOP CREDIT PURCHASES

Stop using all your credit cards. Interest on most credit purchases is extremely high. Don't add to your burden. If you have advance warning that you might be out of work, try to make larger credit card payments to reduce the balance you owe. It will be easier to handle the minimum payment they require.

STEP 6: PLAN HOW TO REDUCE HOUSEHOLD EXPENSES

Make a plan with your family to reduce your household expenses. Plan less expensive meal menus and make good use of leftovers. Lower your phone bills by reducing long-distance calls or by making them during the lower rate evening and weekend time. Cancel electronic phone features like "call waiting." Conserve on energy and fuel costs by:

- Turning off the lights, TV, and appliances when not in use
- Cutting back on the use of "power hogs" like hair dryers
- Lowering the thermostat on your furnace, or turning up your air conditioner, and dressing accordingly indoors
- Washing and drying only full loads of clothes. Hang clothes to dry.
- Eliminating unnecessary car trips by combining errands, carpooling, taking public transportation or walking to save gas. Biking is fun and good exercise.

Learning to sew and mend can stretch your wardrobe. Tailors and many dry cleaners can do low-cost clothing repairs and alterations that extend the life of your clothes. Yard and garage sales are a good source for clothes and other items. Because children outgrow clothes so fast, used children's clothes are often high quality and low-priced. St. Vincent DePaul, Goodwill, Kids Gear, Repeat Performance, On Second Thought, New 2 U, and other resale shops offer good bargains on clothes, furniture, and household items.

STEP 7: SELL AND BARTER

Consider selling that extra vehicle or the boat and trailer you rarely use. Look at your possessions to see which items could be sold without really changing the way you live.

Where possible, offer to trade out property for items you need. For example, you might suggest to a landlord that you "swap" a TV you don't need as part of a rent payment.

STEP 8: CHECK INTO OTHER FINANCIAL RESOURCES

- **Life Insurance** - Review your policy or talk to your insurance agent to see if you can borrow against your life insurance policy.
- **Pension Funds** - Talk to your union representative or company to see if you are owed a refund on your contribution to a pension fund or other company funds.

RESOURCES

Lakeshore Community Action Program	920.682.3737
Salvation Army	920.686.8989
Faith Based Organizations	Phonebook
University of Wisconsin-Extension	920.683.4171
Legal Action of Wisconsin	1.800.236.1127

IMPORTANT: DON'T IGNORE YOUR MAIL! Sometimes folks get in trouble because they ignore government agency inquiries or creditor requests for information. Ignoring notices and bills only makes things worse. If you don't understand something sent to you, call the company that sent it.

E. Dealing with Creditors

If you are having trouble making your payments, notify your creditors **before** you get behind. Creditors are easier to work with if they know ahead of time that there is a problem. Also, it shows “good faith” that you are concerned about your debts and intend to pay. Don’t be surprised, angry, or discouraged if you still have a few problems with unsympathetic or ruthless creditors. Most of us tend to live up to and beyond our means. With your income reduced, you may find yourself in over your head. Don’t Panic!

You have some rights and protections. Learn what they are. Knowledge of these rights is essential in bargaining successfully for arrangements with creditors.

Credit Counselors

A credit counselor is a professional trained to help you make and stick to a budget, suggest ways to reduce costs, and help you contact creditors. A credit counselor can help you sort out your financial affairs. Creditors appreciate your willingness to get professional assistance with your affairs and will usually cooperate to get you back on the track.

Free Credit Classes and One-on-One Counseling are available.

Catholic Charities Budget Counseling Program	920.684.6651
University of Wisconsin-Extension	920.683.4171

NOTE: Beware of private, for-profit consumer counselors - often linked with consumer finance companies – or resources who want fees for service.

CREDITOR ACTION PLAN

STEP 1: NOTIFY YOUR CREDITORS *BEFORE* YOU GET BEHIND

Take your creditor worksheet and determine what bills you are going to be able to pay. Then, notify your creditors *before* you get behind. This is important. Creditors are usually easier to work with when you let them know about your situation before a severe problem arises.

When contacting creditors, tell them you want to work out a satisfactory arrangement for delaying, reducing, or refinancing payments until you return to work.

Contact creditors in writing so that there is a physical record of contact to place in your file. The letter can be placed in your account file - a phone call may not be noted. Always include your account number, your phone number, and your address. Keep copies of your letters to creditors. Most libraries have coin operated copy machines. A written record of contacts may also be important if legal problems emerge later. Try to type letters to creditors, but legible handwriting is just as good.

STEP 2: CONTACT THE COURT ABOUT CHILD SUPPORT OR ALIMONY PAYMENTS

If you are making child support or alimony payments under a decree of divorce but are unable to meet the payments due to unemployment or severely reduced income, contact Friend of the Court and explain your situation. Stay in touch with your ex-spouse to avoid unnecessary legal action. Failing to notify the court of your inability to pay can result in legal problems.

Follow up with a written letter or explanation. If ordered to court, contact an attorney. Bring documentation (pink slip or lay-off letter from your employer) with you. Do your best to provide what support you can - and *keep records*. Missed child support payments *must* be made up. Talk to your ex-spouse or court officer about a repayment plan.

Sample Letter to Creditors

Following is a sample letter to creditors. Copy the sample. Include the name of the company you are writing and other information in the proper place.

Dear _____:

I am temporarily out of work due to (layoff, shut down, strike), and my income is severely cut. I am asking your cooperation during this difficult period. Until I return to work, I need to cut back on all regular payments. I am proposing to pay \$_____ to you for a temporary period, instead of the regular payment of \$_____. This is the fairest thing I can do under the circumstances. When I return to work, I will work with you on a plan to catch up on my payments.

Thank you for understanding.

Signature

Account Number

Address

Phone

STEP 3: PAY WHAT YOU CAN

Even if you cannot pay creditors the amount they want, make your best effort to pay something regularly. This holds arrears as low as possible and lets the creditor know that you are doing all you can. Partial payment *may* keep your account from being turned over to a collection agency.

STEP 4: STAY IN TOUCH WITH CREDITORS

After the initial contact, it's important that you keep in regular contact with creditors, say every two weeks. This reassures the creditor, shows a responsible attitude toward your obligation, and may keep the creditor from "hounding" you.

IMPORTANT: DON'T IGNORE YOUR MAIL.

WHEN THE BILL COLLECTOR COMES

- A debt collector who is trying to find a debtor *cannot*:

- Tell a third party that he/she is a debt collector, unless asked.
- Use a postcard or indicate on the envelope that he/she is engaged in a debt collection.
- Contact a person other than the debtor more than once to learn the debtor's location.

- Once a debtor is located, a debt collector *cannot*:

- Contact you at an unusual time (generally between 9:00 p.m. and 8:00 a.m.).
- Make continuous or annoying phone calls to harass you.
- Contact you at your place of work if the employer forbids communication during work hours.
- Use profanity or other abusive language.

- Threaten to use violence or other criminal means to harm your person, reputation, or property.
- Impersonate a police officer or government official.
- Misrepresent the legal status of a debt.
- Threaten imprisonment or other action, which legally the bill collector or creditor could not take.
- Make other false and misleading statements.

You can write to the bill collector saying that you want him/her to cease communications. The bill collector must stop contacting you except to advise you of any legal action he/she or the creditor intend to take.

If a debt collector violates the law, you may:

- Notify the Federal Trade Commission, (202) 326-2222, which supervises the bill collectors.
- Sue for actual damages and punitive damages.

CONTACTING A CREDIT BUREAU

Sometimes problems with debt collectors can keep you from restoring your credit rating after you go back to work. You may want to contact a local credit bureau to review your credit record. Credit bureaus collect credit information about consumers for use by businesses to which consumers apply for credit.

Credit bureaus can provide information only to:

- Creditors who are considering granting or have granted you credit.
- Employers considering you for employment.
- Insurers considering issuing you an insurance policy.
- Government agencies reviewing your financial status in connection with issuing you a license.
- Anyone else with a legitimate business reason for needing the information, such as someone to whom you have applied for credit.

If you contact the credit bureau, it must:

- Let you know the nature and substance of all information contained in a credit report.
- Inform you of the sources of its information.
- Provide you with the names of employers, creditors, and others who have recently received reports about you.
- Reinvestigate within a reasonable time any information you dispute.

If the credit bureau finds the information is:

- Inaccurate or cannot be verified, the information must be corrected or deleted.
- Accurate, the credit bureau must allow you to write a brief statement of dispute and include it in all future reports.

The credit bureau must automatically delete:

- Information on a bankruptcy that is more than ten years old.
- Other adverse information that is more than seven years old.

If any deletion or notation is made:

You may request that the new information be sent to:

- Any employer receiving information during the past two years.
- Any other person receiving a report during the past six months.

If you believe a credit bureau or credit report user has violated the law, you may:

- Notify the Federal Trade Commission (credit bureaus and many credit information users are under their jurisdiction).
- Sue for actual damages (including attorney's fees and costs).

If someone improperly requests or receives information:

If a person or firm knowingly requests information under false pretenses, or if a credit bureau knowingly gives information to someone not authorized to receive it:

- You may ask a U.S., county, or district attorney to sue the unauthorized user or the credit bureau.
- The unauthorized user or the credit bureau may be fined up to \$5,000 or imprisoned for up to one year.

IF YOU ARE SUED

When negotiating arrangements with creditors for paying off your bills, remember that if you are unable to keep your payments up or if you owe property, the creditor *can* sue you to recover the amount of the bill.

Some creditors are easier to work with than others. Private hospitals, for example, are more likely to sue you over a bill than a public facility is. If you own property other than that on which you reside, the creditor's lawyers may come after it. They may even come after your home.

With any creditor it is important that you show good faith: do your best to pay something on your bill each month. If you must miss a payment, call and let the creditor know.

Check your mail carefully so that you can respond quickly if the creditor becomes impatient for payment. Ignoring mail only makes things worse.

If you have wages or income and have not made acceptable arrangements, your income may be garnished. That means: money may be automatically deducted from your paycheck to pay off a debt.

A garnishment can only be done by order of a court. You have a right to be heard at a hearing before a garnishment may be ordered. You may avoid a garnishment if you can show the judge that you are doing the best you can. Public benefits of any kind cannot be garnished. Lawsuits and garnishments over bills usually occur when no effort is made by the debtor to take care of his/her responsibilities.

Be responsible; take charge, and ***DON'T IGNORE YOUR MAIL.***

If you are sued or summoned to court for garnishment, get an attorney. Consider mediation to resolve the dispute.

PERSONAL BANKRUPTCY

Bankruptcy, like any other legal matter, should be discussed with an attorney. Never take legal advice from anyone but an attorney.

Federal law defines two methods of declaring bankruptcy:

Chapter 7 - straight bankruptcy, for those without a current source of income.

Chapter 13 - adjustment of debt, for people with income.

If you file for Chapter 7 bankruptcy:

- Some assets and all your debt are turned over to the court.
- Some property is exempt. You are able to keep household furniture, appliance, most personal property, and a limited amount of home equity.

- The court liquidates your assets, if any, and divides the proceeds among your creditors.
- Your dischargeable debts (those to which bankruptcy applies) are erased.
- The information that you went bankrupt becomes part of your credit for ten years.
- You cannot file for bankruptcy again for six years.
- Legally, your financial slate is wiped clean. However, you may feel some psychological and social pressure in your community. Your future access to credit may also be limited.

Remember: *Not all of your debts can be discharged. You must still pay taxes, alimony and child support, claims for punitive damages for malicious acts, and student loans.*

If You File for Chapter 13 Bankruptcy

- You will have a chance to pay debts back over an extended time period, usually three to five years.
- You will be protected against wage garnishment and collectors.
- You may not have to file straight bankruptcy.
- You may retain all property.
- You receive satisfaction or paying creditors.

Again, certain types of debt are not affected by bankruptcy. These include debts whose payment is longer than the repayment plan, alimony, and child support, and debts you incur after filing with the bankruptcy court when approval from the bankruptcy trustee could have been obtained but was not.

RESOURCES

Legal Action of Wisconsin	1.800.236.1127
Catholic Charities Budget Counseling Program	920.684.6651
Wisconsin Association of Mediators	608.848.1970

F. Managing Stress

The most important thing you must do is often the most difficult: keep a strong, positive attitude about yourself and your future. Unemployment is bad enough for single workers. But loss of work is particularly frightening for those with families depending on them. It's hard to tell your family about job loss because we all take pride in providing. But talking to your family is an important step in the process of weathering unemployment.

TALK TO YOUR FAMILY...INCLUDE YOUR CHILDREN

“The thing I hated the most, said a laid-off worker in Georgia, “was telling my kids that things are going to be a little tight for a while.”

Unemployment is tough on the whole family. Your spouse and children may feel as helpless as you do. Talk out your problems and plan together. Children generally sense tension at home. Explain your unemployment situation to them. They usually respond by understanding and wanting to do their part for the family.

PLAN AND WORK TOGETHER TO REDUCE HOUSEHOLD COSTS

Each member can help a family make it through hard times. By sharing the burden and pulling together, members of a family grow closer together and draw strength from one another. Also, children can help reduce financial pressure on parents by delaying requests for expensive extras.

By taking a part-time job, weekend job, teenagers can reduce financial pressure on parents. It enables each member of the family to take positive steps to help.

KEEP A POSITIVE ATTITUDE

You take pride in your skills. Your work provides for your family. Your job is a vital part of your sense of who you are and how you feel about yourself. Your closest friends may be your co-workers. Your job is important to you - not only for the money it provides, but also for the satisfaction it gives you. That's why losing your job is traumatic - whether it means temporarily losing the entire family income or only part of it. It is natural to feel afraid, angry, and depressed when you are out of work. You may feel helpless and betrayed. You may subconsciously blame yourself. A first big step in keeping a positive attitude is to *recognize* the natural feelings of depression, fear, anger, and helplessness. If you recognize feelings, you can overcome them. Taking stock of the good things in your life - family, friends, and skills – is important to improving your outlook.

DON'T LET THE "BLUES" AFFECT YOUR RELATIONSHIP

The bad feelings associated with loss of your job not only affect the way you feel about yourself; those same feelings can hurt your relationships with your family and friends. The stress of financial hard times and the feeling of "being down" can cause friction with a spouse. These same feelings can cause emotional withdrawal and sexual problems. There is always the temptation to escape through overeating, alcohol, or substance abuse. Worrying can make you impatient with your spouse and children. Small problems or inconveniences can seem to be larger than they really are. You may become quick to anger. Heavy use of alcohol or drugs can cause serious lack of control. For these reasons, an unemployed worker is much more likely to lose control and abuse a spouse or child.

You may wish to talk to someone you respect about your feelings. A friend, clergy, professional counselor, or doctor may help you sort out your feelings. A local mental health center or family-counseling agency can help. Don't be embarrassed to talk about your feelings with someone.

MANAGE STRESS

Anger, fear, and anxiety about money are probably the most powerful sources of stress. Too much stress is dangerous for your physical and mental health, and it can add to the difficulties of being out of work. Besides, stress makes it hard to maintain a positive attitude. Stress also makes it harder to take the actions needed to make it through these tough times. Again, the important thing is to recognize stress. If you can recognize stress, you can control it and learn to relax and think clearly.

6-Step Stress Control Program

1. Talk about your problems with someone close to you.
2. Meet for support and understanding with fellow employees who share your situation. Exchange job search information and tips.
3. Work off frustration through exercise and sports. Exercise is a great stress reducer.
4. Escape for a while by enjoying a relaxing activity.
5. Avoid overeating, and try to eat healthy foods.
6. Spend time with your family. Do things together as often as you can.

RESOURCES

Tamarack Behavioral Health	920.320.8600
Domestic Violence Center	920.684.5770
Child Abuse and Neglect	920.683.4230
Elder Abuse	920.683.4180
Sexual Assault Resource Center	920.320.8555

G. Volunteer!

Volunteering at this time can provide many benefits to you – and your community. You can keep busy, feel and be productive, learn new skills, fill out your resume, network, and get a foot in the door for a new job. Many non-profit agencies, schools, and other organizations can use your time and talents.

RESOURCES

Retired Senior Volunteer Program/Volunteer Center	920.320.8546
United Way Manitowoc County	920.682.8888

II. Accessing Healthcare

RESOURCES

Manitowoc County Health Department	920.683.4155
Aurora Health Care	920.793.7300
Holy Family Memorial	920.320.2011

III. Housing Assistance

Our homes are the most important part of our lifestyle - and usually our largest single investment and asset. Let's look at how to hang on to the house when the paycheck stops.

MORTGAGE ACTION PLAN

Your mortgage or rent payment should be your *top priority* in paying bills each month. Using unemployment compensation benefits, workers' compensation, union strike assistance, spouse's income, savings, or help from family or friends, *pay the mortgage or rent first each month.*

STEP 1: UNDERSTAND THE TERMINOLOGY

First make sure you understand the terms involved.

- **Default** - A mortgage is in default when more than one payment is due but unpaid. Mortgage contracts generally allow for foreclosure to start when a default exists, though most lenders will not act that quickly.
- **Delinquent Payment** - A mortgage payment not made by the day it is due.
- **Early Payment** - Mortgage payment made before due date. **NOTE:** *Making payments early doesn't necessarily mean that you won't be required to make payment on your regular monthly schedule. Check with your mortgage holder before making early payments.*
- **Equity** - The value of your property minus what you still owe on it.
- **Forbearance** - An oral or written agreement to repay the delinquency over a period of time so that the loan payments can be brought up to date.

- **Foreclosure** - The process by which the lender takes over your property when you fail to meet the terms of your mortgage.
- **Late Charge** - A fee, charged by your lender, to help pay for the added work of collecting late payments. Payment of the fee, however, doesn't give you the right to pay late repeatedly. Repeated late payments are a violation of your contract with the lender.
- **Section 8** - A government program providing private housing for low-income families by subsidizing (helping pay for) rents. The amount of rent assistance is determined by your income. There may be a waiting list for Section 8 housing. So get your name on the waiting list!

STEP 2: CONTACT THE MORTGAGE HOLDER *BEFORE* YOU GET BEHIND

Generally, a lender does not want to foreclose on a mortgage. It takes time, and money may be lost in selling the property at public auction, particularly if the local housing market is weak.

Call or visit the mortgage company and ask to speak to someone in the mortgage-servicing department. Identify yourself by name and loan number. Explain your situation, and ask if a reduced payment plan can be worked out until your return to work. Take notes of the conversation and get the representative's name.

On future calls, try to stick with that representative. Follow-up your call with a letter and keep a copy of your letter for yourself. Be sure your letter includes:

- The complete address of property.
- A phone number where you can be reached.
- An explanation of your situation.
- A request for immediate response.

Keep all correspondence from your mortgage holder in one place so that you can find it when you need it. **NOTE:** *Even if you're already behind on mortgage payments, follow the step above.*

STEP 3: SEEK ADVICE ON REPAYMENT ALTERNATIVES

Your bank, legal services, an attorney, a knowledgeable mortgage agent for another firm, a WHEDA counseling agency, or other qualified professional may advise you about various repayment alternatives. Some of the alternatives they may suggest:

- Temporary forbearance.
- Extending your loan.
- Refinancing.
- Selling, even if the market is depressed and a penalty is imposed because you paid off the mortgage early.
- Voluntary surrender of the property to the lender instead of foreclosure.
- Bankruptcy.

A decision to sell, for example, must be made early. While the decision to sell may be difficult, a quick decision may mean the difference in getting any of your equity (the difference between the market value of your property minus the amount you still owe) out in cash. Once foreclosure begins, you may not be able to sell. Property may not be sold once foreclosure is initiated.

Voluntary surrender (handing over the property to the lender rather than having the lender foreclose) is sometimes a less harmful option if you have little equity in your home. You lose your equity, as you would by foreclosure, but you avoid having a foreclosure on your credit record. If you have not been making payments on the house for very long (two to three years or less) this may be an attractive alternative to foreclosure. Avoid foreclosure, if at all possible.

STEP 4: IF YOUR MORTGAGE IS FEDERALLY INSURED, CONTACT THE INSURING AGENCY

Federally insured mortgages, such as FHA, HUD, FmHA, or VA, have special provisions for helping families in trouble. These special provisions - which are particularly attractive on FHA/HUD mortgages - may extend the period before foreclosure, grant liberal repayment schedules, or even result in the government agency buying out the lender. Forbearance means that, rather than foreclosing, the lender or guaranteeing agency takes into account your situation and works out a plan to help you keep the property.

If you have any form of government-insured mortgage, it is extremely important that you learn what forbearance provisions are available to you by contacting the forbearance counseling department at the insuring agency (FHA, HUD, VA, or FmHA) in your area.

STEP 5: APPLY FOR HOUSING ASSISTANCE

See **Resources** below.

STEP 6: CHECK OTHER AGENCIES FOR ASSISTANCE

In some communities, general assistance agencies, the Salvation Army, Catholic Charities, Community Action Partnership, or other public and voluntary groups may provide limited monetary assistance to help pay a mortgage or rent.

STEP 7: CONSIDER EQUITY SHARING

If you are in danger of foreclosure and have a friend or relative looking to buy property, you might consider "equity sharing." Equity sharing consists of more than one party purchasing the same property. Your partner in the transaction would assume the monthly mortgage payment and begin building equity in the property. A lawyer draws up a contract stating that upon sale of the property, the proceeds of the sale would be divided up according to the amount put in by each party. Talk to a lawyer about equity sharing.

RENTER'S ACTION PLAN

STEP 1: READ YOUR LEASE / KNOW YOUR RESPONSIBILITIES

First, read your lease. It is important to familiarize yourself with the terms of your lease and that you know your responsibilities as a tenant. See resources below.

STEP 2: TALK TO YOUR LANDLORD

About all you can do for rent payments on reduced income is to tell your landlord about your situation before rent is due. Try to work something out. Ask if you could make smaller payments until you return to work and then catch up the shortage. Offer to trade some property (furniture, TV, or other items you don't need), or do minor repairs, cut the lawn, or perform yard maintenance in place of rent. It often costs landlords money to change tenants, so there may be an incentive for the landlord to work with you.

STEP 3: KNOW YOUR RIGHTS IF EVICTED

If you don't pay your rent, the rent is delinquent when specified in your lease. If your lease is a verbal one, your rent is usually delinquent ten (10) days after it is due. Check it out: laws governing renters and eviction differ from state to state. If your landlord wants to evict you, you must be given a written notice allowing you a specific number of days (which varies from state to state) to leave the premises. After the period for leaving the premises expires:

- Your landlord may file an Unlawful Detainer Action with the court. You have a specified number of days (usually seven or less) to answer this court action.
- A court hearing will be held to evaluate the circumstances, and the judge determines the legal action required.
- If the court serves notice, you could be evicted in as little as 24 hours.
- If you have a lease, you may still be liable for the rent for the remaining months on the lease unless the property can be rented to others. If the property is not rented, you may be liable for rent for the rest of the lease period.
- Your security deposit may be forfeited.

RESOURCES

WI Dept of Agriculture, Trade, & Consumer Protection

<http://www.datcp.state.wi.us/>
Click on Consumer Protection, then
Tenant Rights & Responsibilities

Tenant Resource Center

<http://www.tenantresourcecenter.org/>
1.877.238.7368

HOUSING ALTERNATIVES

Public Housing

At your reduced income, you may qualify for public housing or Section 8 support. In Section 8 housing, private apartments/homes are rented with part of the rent paid by the federal government. Public housing rent is set according to your income. In most communities there are long waiting lists.

House Sharing

Sometimes we overlook the most obvious housing resource: a relative, friend or co-worker who is out of work may have room on a temporary basis. Sharing rent, food, and childcare can work well on a short-term basis.

“I was really embarrassed and ashamed to ask my parents to take my wife and two kids in when I couldn’t pay the rent,” an injured UAW member in Texas reported, “but it turned out that my folks were having trouble making ends meet and my small income helped out. Mom watched our kids while my wife looked for work, and I was able to help make some needed repairs on the house. We stayed five months and it worked out great.”

Emergency Shelter

Should things get to the point of eviction or foreclosure and you find yourself in need of temporary shelter, contact a homeless shelter.

RESOURCES

Legal Action of Wisconsin	1-888-645-9993
Wisconsin Association of Mediators	608.848.1970
Human Services Department	920.683.4230
Salvation Army	920.686.8989
Lakeshore Community Action Program	920.682.3737
Lakeshore Interfaith Hospitality Network	920.686.1436

IV. Food Assistance

Food Pantries:

There are many food pantries located throughout Manitowoc County. Call United Way Manitowoc County at 920.682.8888 or visit www.unitedwaymanitowoc.org for the pantry closest to you.

FoodShare Wisconsin:

You can apply for FoodShare benefits at:

Human Services Department, Economic Support 920.683.2888

Free Meal Locations:

Faith communities also provide hot meals during the week. For information:

United Way Manitowoc County 920.682.8888

Commodity Foods:

Salvation Army 920.686.8989

Two Rivers Ecumenical Pantry 920.793.5364

WIC (Women's Infant and Children) Program:

Provides supplemental food for children up to age 5 and pregnant or lactating women.

Manitowoc County Health Department 920.683.4155

V. Utility Assistance

Utility services (power, gas, water, telephone) are regulated under a hodge-podge of federal, state, and local laws. Fuel oil, liquid propane and other energy resources are generally less regulated, but regulations vary greatly from state to state. If you are having (or anticipating having) problems with utility bills, this section outlines some steps you can take.

UTILITY ACTION PLAN

STEP 1: KNOW THE TERMS OF YOUR UTILITY SERVICE

State-regulated utility companies will provide a customer information packet for you. This explains the terms of service, reasons for cutting off service, and ways to renew service.

STEP 2: CHECK INTO BUDGET PAYMENT PLANS

See if your gas or electric company has an "equal payment plan" that keeps your bill the same each month. This makes it easier to plan your monthly expenses, before you get behind.

The utility company is not required by law to offer you a budget repayment plan if you are a delinquent customer. So, before you get behind on the bill, discuss your plan with a customer service representative.

STEP 3: REDUCE UTILITY USE

Plan conservation measures with your family. Decide how you can do it safely and still cut your costs. Some steps you can take to conserve on energy costs:

1. Turn off lights, TV, and appliances when not in use.
2. Cut back on the use of "power hogs" like hair dryers.
3. Lower the thermostat on your furnace, or turn up your air conditioner, and dress accordingly indoors.
4. Wash and dry only full loads of clothes. Hang clothes to dry.

Some steps you can take to cut your telephone use:

1. If you have a cellular phone, consider eliminating your home phone service altogether. Just be sure you can access 9-1-1 in an emergency.
2. Analyze your telephone service. Can you switch to a money-saving rate plan? Cancel custom features like “call waiting”.
3. Make long-distance calls on evenings and weekends when rates are lower.
4. Trade or remove rented telephone models from your home.
5. Drop leased extension phones.
6. Consider buying your phone. This may be cheaper than renting.
7. Eliminate unpublished listings; these add to your costs.
8. Eliminate unnecessary calls if you are in a *measured service* area where you are charged for calls by length and time of day.

STEP 4: NOTIFY THE UTILITY COMPANY BEFORE YOU GET BEHIND

Call, and then write, the utility company immediately, before the due date for payment. Explain the reason for your inability to pay.

If a family member relies on an electrical medical appliance, be sure the power company is aware of the medical danger of a service cut-off. In general, the power company will not cut off service to a household where a cut-off would pose a life threatening danger.

STEP 5: PROPOSE A PAYMENT PLAN

Suggest a payment plan based on your current ability to pay. If you don't have a plan, or if your plan is not acceptable, develop one with the company.

Once a customer has filed for bankruptcy, a utility company can't change, refuse or stop service just because the customer can't pay the bill. However, the customer must reapply for service within 20 days after filing with the bankruptcy court, or service may be stopped.

Telephone service may be disconnected if your bill is not paid within *one week* of notice of delinquency. Depending on your prior record and at the discretion of the company, a payment plan may be set up where you will not have service interrupted. To get your telephone service reactivated once you have been disconnected, you may be required to:

1. Pay your prior bill in full.
2. Reapply for service and pay installation charges.
3. Pay a deposit.

ENERGY ASSISTANCE PROGRAMS

Check to see if you are eligible for the Wisconsin Home Energy Assistance Program (WHEAP). Apply through Human Services Department-Economic Support or ask your power company about help. The Salvation Army and some faith communities provide money for utility bills in emergency situations. Call 2-1-1 for a referral to the appropriate agency for utility assistance.

ALTERNATIVE ENERGY SOURCES

Manitowoc County UW-Extension has free information on wood-burning stoves, solar energy, portable kerosene heaters, and weatherizing your home at low cost. You may be eligible for financial assistance to weatherize your home. Check with Human Services-Economic Support for details.

RESOURCES

Your Utility Provider

Salvation Army

Human Services Department, Economic Support

UW-Extension

920.686.8989

920.683.2888

920.683.4169

VI. Tax Preparation Assistance

Don't spend money you don't have on tax preparation fees or Rapid Refund loans. Free tax preparation services are available for low-income families and seniors. Volunteers will help you file taxes and apply for any tax credits for which you qualify. Tax credits for Earned Income, Child Care, Heating, etc. can provide significant refunds to you.

RESOURCES

Lakeshore Community Action Program

Aging & Disability Resource Center

920.682.3737

920.683.4180

**GIVE. ADVOCATE. VOLUNTEER.
LIVE UNITED™**

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