



COVID Family Financial Survival Guide

Practical Resources

SURVIVAL KIT

Consumer Advocates & Credit Union Champions

The authors of this document unlock opportunities for not-for-profit credit unions to change lives. CU Strategic Planning's staff are consumer advocates, designing products for credit unions to provide to vulnerable populations. Its work through credit unions reduces poverty and increases access to opportunity. As the COVID financial crisis unfolded, CU Strategic Planning's staff decided to use their research and knowledge to help people struggling to get by find solid ground. As a note on liability, this is not professional advice, nor does it provide legal or accounting guidance to consumers. It is merely a document with practical tips to help good people weather the storm.

Practical Resources

- [Difficulty Paying Rent](#)
- [Getting & Saving Your Cash](#)
- [Protect Your Credit](#)

WE CAN MAKE IT THROUGH THIS TOGETHER



Difficulty Paying Rent

- Tenants with difficulty paying rent should ask their property manager for help. The property manager and landlord generally want the tenants to stay.
 - Most will provide workouts, including skip payments.
 - Don't throw in the towel. If renters across America like you can't pay, who is left to rent the apartments?
 - Thankfully most cities are offering eviction stays temporarily, punting the crisis for a few months.
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Should I Pay Rent?

If you are evaluating a financial gap between paying for groceries or rent, there may be only one clear choice. The situation is different for all renters. Talk to your landlord. Create a budget and see how the pieces pull together. Seek financial counseling:

- [Balance](#)
- [Check your state's Department of Financial Institutions](#)
- [Ask your credit union if it provides financial counseling \(most do!\)](#)



Eliminating Financial Stress

Financial stress is devastating. It is toxic physically and detrimental to children, marriages and work performance. By planning now, you can get through this hard time and prepare for life after the COVID crisis. Avoid predatory lenders. There are resources available to avoid these traps. [What is predatory lending?](#) [What Is the true cost?](#)

Avoid Predatory Lenders, Instead Use:

- Not-for-profit credit unions
- Community Development Financial Institutions (CDFIs)
- Seek help from family and friends.
- At all costs avoid the predatory lending trap.

AVOID PREDATORY LENDERS!!




Not-For-Profit Credit Unions

Many not-for-profit credit unions are offering COVID crisis loans for consumers. One big difference between a bank and a credit union is that banks are for-profit (\$\$\$\$) and credit unions are NOT-FOR-PROFIT (looking out for you). Credit unions have a philosophy of people helping *'people to help themselves'*. They even have social justice, mission guided [international operating principles](#) like Rotary and Boy Scouts. Each credit union's products are different, designed to meet the specific needs of the community it serves.

How credit unions can help:

- Skip-a-payment on loans (many without fees)
- Fee reversal (many are eliminating overdraft fees)
- Payment deferrals (many for 90 days) & loan modifications
- Refinancing high interest auto loans from for-profit banks and predatory lenders to lower rates & deferring payments
- Eliminating high interest credit cards, lowering & deferring payments

[Search for a local credit union in your market.](#)



Care = Empathy

Community Development Financial Institutions

Think miracle makers that you've never heard about even though they are changing lives. These lenders earned a special designation "CDFI" from the Treasury because they exist to make the world a better place, very different from all other financial Institutions. They lend to low Income people and businesses in distressed communities. As a result they have access to grant money to make loans no other Institutions are willing to make. Yes, some credit unions are CDFIs (double the do-good!).

The FYI on CDFIs

- Credit unions certified as CDFIs are most likely to offer loans to credit invisible people with low or no credit scores.
- Many CDFIs will lend to immigrants and non-U.S. citizens.
- CDFIs are most likely to refinance autos above 100% LTV to eliminate predatory car loans and save consumers money.
- CDFIs are more likely to lend to consumers with existing debt. This is a bigger barrier to loans for low income people.

[Search for a local CDFI in your market.](#)

LOANS NO ONE ELSE WILL APPROVE

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Protect Your Credit

You can maintain good credit even if you cannot afford to pay bills during this crisis. The Credit Builders Alliance advises consumers to call creditors. A consumer choosing to call a creditor may request the creditor to code the bill "AW" which stands for: "affected by natural disaster or declared disaster." The consumer should document whom they spoke to as well as the time and date. It is additionally recommended to put the request into writing as documentation. All of this can be provided to the credit bureaus should a need to dispute arise.

Other Resources

- [Consumer Data Industry Association](#)
- [Equifax COVID Guidance](#)
- [Consumer Financial Protection Bureau](#)
- [Dispute an Error on Your Credit Report](#) (if AW isn't coded)

YOUR CREDIT SCORE SAVES OR COSTS BIG \$\$\$\$



Be Well

People that work at credit unions are people just like you- and so are the owners. Why? Because you own the credit union you use. (It's called a co-op) You aren't going to rip yourself off. Right? That's what 'people helping people' is. It's like neighbors lending to one another. Not-for-profit credit unions aren't in business to make stockholders richer. A credit union exists to help the average, hardworking people that own it. During this time the best defense we have is the humanity of looking out for one another. That's why credit unions exist. Pass It on.