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## Foreclosure Assistance Returns

Emergency mortgage assistance is once again available for Pennsylvania homeowners facing foreclosure. Pennsylvania's Homeowner Emergency Mortgage Assistance Program (HEMAP) was recently refunded thanks to the settlement between the Attorney General's office and the nation's five largest mortgage loan servicers. HEMAP received 90% of the state's share of the \$25 billion settlement.

Under HEMAP, a homeowner's mortgage is either brought current and then the homeowner takes over payments or the mortgage is brought current and HEMAP contributes to a portion of the mortgage payments on the homeowners behalf for a maximum of 36 months. All monies must be repaid. The amount borrowed is added on to the end of the loan, with the homeowner responsible for repayment. One criteria to be eligible to apply for HEMAP is a homeowner must be 60 days behind on their mortgage.

Under HEMAP, lenders are required to send homeowners an Act 91 notice. This stay gives the homeowner time to contact a HUD approved housing counseling agency, like Advantage CCS, to apply for HEMAP assistance.

The HEMAP program was established in 1983 and has provided assistance to 46,000 families since its inception.



**Q:** I recently lost my job and need some tips on managing my budget. Do you have any suggestions?

**A:** The thing about unemployment: You never know how long it's going to last. You will want to go into the "crisis mode" and be realistic with your spending habits. You will also have to deal with the debt obligations you took on when you were operating at your previous income level.

Your first step is figuring out your new household budget. You'll need to take into account your new income level and compare it to your pre-job loss lifestyle. In most instances, you will likely need to cut back on spending.

In addition, identify any periodic expenses that you may need to start planning for now. Periodic expenses can be items like a water bill or tax bill that is due on a quarterly basis. Plan in advance for covering these types of expenses.

Prioritize your debts and monthly bills, so you know what to pay first. Making your mortgage or rent payment is most likely your top budget priority.

Communicate with creditors so they understand what situation you're facing. In some instances, you may need to seek alternative payment arrangements for debts you can't cover. For example, consider seeking a deferment for a student loan.

You also will likely need to readjust your thinking when it comes to shopping. Buy only what you need and consider discount grocery stores to add extra cost savings.

If you're really struggling or think you need some extra help, contact Advantage CCS to schedule a credit counseling session.

888-511-2227

[www.advantageccs.org](http://www.advantageccs.org)

## Did you know?

*Did you know...bank fees are on the rise? A recent survey by Moneyrates.com found that checking account fees have increased since the beginning of the year. These fees include monthly service fees, overdraft fees and ATM fees. According to Moneyrates.com, there are some ways to avoid bank fees:*

- Comparison shop. Not all banks charge fees and some small banks may charge a lower fee than a large bank.
- Consider an online bank, which may not charge any or minimal fees since it lacks a brick and mortar location.
- Consider your banking habits. If you tend to overdraft your account often, a lower overdraft fee may be more beneficial than a lower monthly service fee.
- Look into joining a credit union. Credit unions may have lower account fees, but be sure to take into account ATM surcharge fees if your credit union's ATM is not easy accessible.

# Your Credit Report and Job Search

It may be surprising, but most employers are now taking an applicant's credit history into consideration before hiring him or her for an open position. A recent survey by the Society for Human Resource Management found that 60% of employers do a credit check for at least some positions. Finance industry positions typically check an applicant's credit report to prevent against possible theft or embezzlement. From the employer's perspective, a candidate with a lot of debt and what appears to be strained finances might not be suitable for a position with access to large amounts of money. There are several key areas employers examine on a credit report.

The first is tax liens. If you have any liens on property because of back taxes due, that shows up on your credit report. For some employers, this may indicate irresponsibility. A potential employer might also think you're irresponsible if you have a foreclosure or bankruptcy on the report. Employers may also examine your credit utilization. Maxed out credit cards could be a sign of financial distress. Employers also look for recent late fees. This may be especially true in the finance industry. Recent late payments may indicate you're under financial stress and are having trouble budgeting.

If you are beginning a job search, it's important to check your credit report. Consumers are eligible for a free credit report from each of the three credit bureaus annually. Free credit reports can be obtained by going to the website [www.annualcreditreport.com](http://www.annualcreditreport.com) or calling 1-877-322-8228. This is the only site where your credit report is truly free. It's important to check your credit report prior to a job search

because one in four credit reports contain an error. Information on how to dispute credit report errors can be found on the Federal Trade Commission website, [www.ftc.gov](http://www.ftc.gov).

If a potential employer intends to do a credit check and you find your credit report is in less than stellar condition, it's a good idea to be upfront with your potential employer about financial issues you have had. Explain why it appears you are in financial distress and explain what you're doing to rectify your situation. For instance, be upfront if you've been dealing with medical issues, unemployment or if you've been the victim of predatory lending or identity theft. It's better to explain the situation and what you've learned from it than to let a poor credit report stand on its own.

Also, be aware that the employer must have your written authorization to check your credit report prior to doing so. You can refuse the credit check, but it's likely you will be ruled out as a candidate for the position. The credit check will also show up as a hard inquiry on your credit report, which may have a slight impact on your credit score.

If you are not hired for the position because of information on your credit report, under the Fair Credit Reporting Act, the employer is required to tell you so and provide the credit report information. In addition, all employers should provide the applicant with a copy of the credit report.

As with other financial issues, when job searching it's important to be proactive regarding your credit report. Find out what's on it before a potential employer does and try to mitigate issues before you're not hired for a position you know you're qualified to do.

## Resources

[www.moneyrates.com](http://www.moneyrates.com)

[www.advantageccs.org](http://www.advantageccs.org)

[www.annualcreditreport.com](http://www.annualcreditreport.com)

[www.phfa.org](http://www.phfa.org)

### The Advantage Challenge

*Advantage CCS challenges you to ...review your bank accounts and evaluate the fees you are paying. Be sure to investigate fees on both your checking and savings accounts. Check the monthly service fee, the overdraft fee and the ATM surcharge fee. Look for any hidden fees, like accessing online banking or deposits made at a branch. Comparison shop and see if the fees are in line with other banks or if it's time to switch.*

# Advantage

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