



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

*Knowing the difference can
make all the difference.*

NFCC PRESS RELEASE

For Immediate Release
January 19, 2010

Contact:
Gail Cunningham
(940) 691-6322 - direct
(240) 672-2700 – cell
gcunningham@nfcc.org

DISASTER PREPAREDNESS SHOULD INCLUDE FINANCIAL READINESS

Advance Preparation for the Unpredictable Can Pay Off

Silver Spring, MD –The Haitian earthquake tragedy serves as a reminder for each of us to review how prepared we are for a disaster. Historically, flooding is the nation’s single most common natural disaster. While earthquakes are often thought of as a West Coast phenomenon, 45 states are at a moderate to high risk of quakes. Some disasters, such as hurricanes or tornadoes, can provide us with a degree of advance warning, while others happen in the blink of an eye.

The National Foundation for Credit Counseling (NFCC) reminds consumers to prepare for disaster, and to make sure the plan includes financial readiness. “In an emergency, the last thing a person needs to worry about is finances,” said Gail Cunningham, spokesperson for the NFCC. “No one has ever regretted being prepared in advance when they had to vacate their home and make split-second decisions, sometimes life or death ones.”

To be safe, the NFCC suggests that consumers consider the following financial tips when formulating their financial disaster plan:

- **Have an overall checklist in place** before the emergency strikes, and if possible, review it before leaving your home.
- **Gather all financial records in one spot at home and one off-site.** Consider a fireproof safe for home which contains copies of documents, with the originals stored in a safe deposit box. Everyone who lives in your home may not be there when the disaster strikes. Therefore, it is necessary to inform all family members of your plan, where your “go-box” or safe is located, and instruct them that they are to bring it with them when evacuating.
- **Inform a trusted friend or family member where documents are located.** Someone outside of your residence should be aware of the off-site location where your documents are housed.
- **Copy the front and back of all credit cards, debit cards and ATM cards.** You will need this information for ease in contacting the issuers.
- **After the event, call the credit card companies** and alert them to expect purchases outside of your normal charging pattern. You do not want to have the use of your credit cards compromised due to purchases being made in a different city or state.

- more -

- **Include a spare set of checks in your go-box.** You want to be able to access money from your bank, and not totally rely upon credit cards or your ATM.
- **Keep an amount of cash on hand to sustain you short-term.** If electrical power is lost, ATMs will not be working, thus having cash is critical.
- **Make a list of all financial institutions** with which you do business, including brokerage houses. Be sure to include contact information and account numbers.
- **Have the contact information of your insurance agent** as well as the policy in hand. This will be immensely helpful when making a claim, and put you near the front of the line. To avoid any unpleasant surprises, have an annual insurance check-up to confirm that you fully understand your coverage and deductibles. An emergency is no time to find out about unforeseen gaps in your coverage.
- **Have a complete household inventory in an offsite location.** Pictures or videos will make claims much easier, and the last thing you want to do under stress is rely on your memory.
- **Have utility company information available in case you want to stop some bills.** If your residence is uninhabitable or totally destroyed, notify utility companies and other service companies, such as the phone company, so they can stop billing immediately. Often times a utility company will transfer service to a new address and waive initial connection charges.
- **Protect your identity.** Notify the three credit bureaus that you have been affected by a man-made or natural disaster. By placing a fraud alert on your accounts, creditors must contact you before opening any new accounts or making changes to existing accounts. This also will help to avoid becoming a victim of identity theft, as crooks seem to thrive on distressed individuals. With mail interrupted, it could be months before you even knew that charges were being added to your accounts.
 - Equifax 1-800-685-1111 • www.equifax.com
 - Experian 1-800-397-3742 • www.experian.com
 - TransUnion 1-800-888-4213 • www.transunion.com

If you are displaced for a period of time, your income may be interrupted. Review your financial situation and develop a realistic budget to cover the time it will take to recover. Determine what obligations can be regularly paid until the financial picture improves. If all known expenses cannot be covered, contact creditors and try to negotiate a payment plan. While many will be willing to accommodate the request, starting the conversation is the first step. A certified credit counselor also can help contact creditors and negotiate an appropriate payment plan on your behalf.

If you find yourself feeling overwhelmed, seek relief through an NFCC Member Agency. Making critical financial decisions is never easy, but whether preparing for or recovering from an emergency situation, it is particularly helpful to have a professional on your side. To find the agency closest to you, dial toll-free to (800) 388-2227, or go online to www.DebtAdvice.org. For assistance in Spanish, dial (800) 682-9832.

