

# WHAT TO DO WHEN YOU CAN'T PAY YOUR BILLS



## CONTACT YOUR CREDITORS!

A creditor is a company or person to whom you owe money. Don't wait for creditors to contact you. Call them before bills are past due. They will be more willing to work with you.

Before talking with them, you'll need to know how much you can pay each creditor. Even if you don't have enough money to pay the total bill, it's important that you try to pay each something.

To figure how much you have to pay creditors complete the chart below.



## 9 STEPS TO PAYING YOUR BILLS

### Using Column A:

1. Write down the estimate of your monthly income.
2. Figure out how much you spend each month for rent or mortgage, food, car payments, gasoline, lights, heating, clothing, etc. Total your expenses.
3. Subtract Step 2 from Step 1. This is how much you have available to pay creditors. Try not to get discouraged if this figure is low.
4. If the amount in Step 3 is more than 0, go to Step 5, (next page). If the amount in Step 3 is 0 or less, go to Step 1A.

### Column A

\$.....

\$.....

\$.....

### Using Column B:

- 1A. Write down the estimate of your monthly income.
- 2A. Decide if there are any monthly expenses that you can reduce or live without. Re-add your monthly expenses.
- 3A. Subtract Step 2A from Step 1A. This is how much you have available to pay creditors. Go to Step 5, (next page).

### Column B

\$.....

\$.....

\$.....



## Steps Continued. . .

If expenses are still more than income, you will need to try to lower your expenses more or try to increase your income.

5. List all your bills that you are unable to pay each month in full. Write the company or person's name and the amount that you owe.

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Look at the figure in Step 3 or Step 3A. The larger number is the amount of money available to pay creditors.

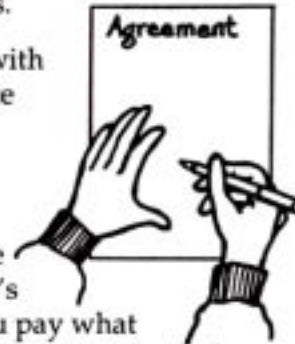
6. Decide how much you are going to pay each creditor. Call the most important creditors first. These would include heat, lights and rent/mortgage. Remember, it's best to pay each creditor something, even if it's a small amount.

7. When you're ready to speak to your creditors, ask for the manager or supervisor. Explain that you want to pay their bill but can't pay the total bill right now. Be honest and share with them how long you think it will take. Tell them you have looked at your income and your expenses

and have developed a plan to pay off their bill. For an example if you owe \$50.00, you could pay them \$5.00 or a certain amount a month for the next number of months.

8. After talking with each creditor, write down what you agreed on.

9. Once you've agreed on how the bill will be paid, it's important that you pay what you said you would. If you don't, the creditor can demand the full amount of the bill.



**Some creditors will be agreeable and others will not be. Don't give up. Remember creditors are more willing to work with you if you talk with them right away.**

### Commodity Supplemental Food Program (CSFP)

The purpose of the Commodity Supplemental Food Program is to provide supplemental foods and nutrition education to low-income pregnant, postpartum and breast-feeding women and children up to the age of six.

CSFP participants receive monthly food packages which may include canned fruit juice, canned fruits and vegetables, hot cereal, nonfat dry milk, evaporated milk, and egg mix.

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