

# Gothenburg State Bank

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## What to Do If You Need Help

Getting in over your head is stressful. If you run into financial trouble, the first step is to address it immediately. Ignoring the problem will only make the situation worse. Getting organized and creating a budget is an excellent start. However, if a more immediate solution is called for you should:

- **Contact the creditors whom you are having difficulty paying.** Creditors are often the best source of short-term help and can help you avoid blemishes on your credit report.
- **Pay cash.**
- **Set a monthly limit on charging,** and keep a written record so you do not exceed that amount.
- **Consider a lower interest debt-consolidation loan.** If you qualify, combining your credit card debts into a single, lower-interest secured loan can make paying your debt down easier and free up money for living expenses. However, be careful. Consolidating your debt is only beneficial if the resulting loan terms are favorable and if you stop using additional credit.
- **Contact a local certified credit counseling service** if you continue to experience difficulties. The staff at Consumer Credit Counseling Service (800-388-2227), for example, can help you prioritize your needs, sort through your debts, and establish a more affordable payment plan with your creditors.
- **Avoid scammers who promise to “fix” your credit.** Getting back on your feet takes time. There is no “quick fix” and no one — payday lenders or loan sharks — can make your debts simply disappear.
- **Know your rights as a debtor.** Bill collectors must follow certain rules, which are enforced by the Federal Trade Commission (FTC). Read about these rules on the FTC’s Web site: <http://www.ftc.gov/bcp/online/pubs/credit/fdc.htm>.
- **Do not take bankruptcy lightly.** Filing for bankruptcy has long-term consequences that you should carefully consider before proceeding. Bankruptcy is not a quick or casual solution for anyone.

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