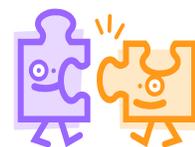


Where am I financially? Table of Contents

Step 1: Assess Your Monthly Income and Expenses.....	81
<i>Features this related tool:</i>	
Monthly Budget/Spending Plan.....	88
Step 2: Determine Your Net Worth.....	92
<i>Features this related tool:</i>	
What is my net worth?.....	95
Step 3: Determine Whether or Not You Can Afford Another Payment.....	96
<i>Features this related tool:</i>	
Can I afford another payment?.....	98
Step 4: Review Your Credit Report.....	99
<i>Features these related tools:</i>	
How to Get a Copy of Your Credit Report.....	101
Sample Letter of Credit-related Dispute.....	102
How to Maintain a Good Credit Score.....	103
Step 5: Summarize Your Current Financial Situation.....	104
<i>Features this related tool:</i>	
What is my current financial situation (post-disaster)?.....	107
Appendix.....	109

Where am I financially?



This unit will help you assess and understand your current financial condition. Similar to before the disaster, you will need to continue to manage your income, expenses, and debt in the days, weeks, and months ahead. The difference is that your financial picture may look drastically different now than it did pre-disaster. You can expect that your finances will continue to change throughout the recovery period.

This unit will help you gather the pieces of your current, or post-disaster, financial puzzle. You can think of assessing and understanding your current financial condition as the corners and border pieces of a financial puzzle. The more corners and border pieces you have, the easier it is to find the next pieces. In other words, the more you know about your current financial situation, the easier it will be to figure out what you need as you work towards your financial recovery.

This unit will review four steps for assessing your current financial situation. By using the tools provided in this toolkit, you will:

1. Assess your monthly income and expenses (both pre- and post-disaster).
2. Determine your net worth.
3. Determine whether or not you can afford another payment.
4. Review your credit report review.

It should be noted that using only one or two of the above steps will not provide an accurate picture of your current financial situation. You need to complete all four steps to truly understand your financial picture. They are all indicators of financial well-being.

Lastly, to give you time to assess your total financial puzzle, this unit will walk you through a fifth step:

5. Summarize your current financial situation.

Step 1: Assess your monthly income and expenses

Completing a monthly budget is one useful tool to help families determine what actions to take following a natural disaster. The **Monthly Budget/Spending Plan** tool found at the end of this section will help you understand your income and expenses prior to the disaster and estimate what it will be like in the future. It will also help you track your income and expenses for the next three months and make adjustments to your budget as needed. This process will help you be financially informed as you make important decisions impacting your financial resources.

Here are the steps you would take to complete the Monthly Budget/Spending Plan tool:

1. Using the second column, determine your monthly income and expenses prior to the disaster. You may have records regarding your pre-disaster budget or you may not. If you have never calculated your budget before or your records were destroyed, you would just make your best guess at the dollar amounts that correspond to each income/expense line.

At the end of the Step 1 section you will find an example of the completed tool for Sam and Joan Younger. Looking at the example, did Sam and Joan have enough income to meet their monthly expenses prior to the disaster?

Take time now to fill in your income and expenses prior to the disaster. When you are finished ask yourself:

- Was your pre-disaster income sufficient to meet your expenses?

2. In the next column, you are asked to estimate your current budget after the disaster. It may be helpful to review the “Budget Prior to Disaster” numbers and adjust them as needed to take into account your post-disaster changes. Remember, your total expenses should not be higher than your total income.

Looking at the Younger family example, how did their expenses change post-disaster?

Complete the budget for current income and expenses. When you are done, ask yourself:

- Has your income changed post-disaster?
 - Do you now have increased housing expenses (maybe even double)?
 - What other expenses changed?
 - Do your post-disaster expenses outweigh your current income?
 - How are disaster related expenses affecting your budget?
 - How do your pre- and post-disaster monthly expenses and income compare?
 - Do adjustments need to be made? In which spending categories?
 - What resources are needed to get your budget to balance?
3. It is now time to track your actual income and expenses and see how it compares to your budget. Use the actual income and spending columns to track your income and spending for the next three months. You can look at the Younger family example as needed.

Here are some quick tips for tracking your income and spending:

- Identify one person who is responsible for this task in your family.

- Choose a tracking method that works for you and use it consistently. Consider using a calendar or a series of envelopes to save receipts and track throughout the month.
 - Choose a safe/convenient place to pay bills, file papers, and do your tracking.
 - It is very important to remember to do the following each month: take all the disaster-related receipts and place them in a special envelope. You will need these later to make insurance claims, file taxes, and apply for assistance to cover disaster-related expenses.
4. After tracking your income and expenses for each month, take time to compare it to your budget. If changes need be made to the budgeted amount – another source of income is received or needed, an expense line needs to be increased/ decreased, etc. – make a note in the last column (“Comments”). You can also record some of your ideas for changes at the very bottom of the tool.
 5. At the end of the three month tracking period, look at your income/expenses related to your estimated current budget. Fill in the “Revised Current Budget” column to reflect any changes that need to be made to your income and/or expenses. Make additional notes in the “Comments” column regarding the changes if needed. Start a new monthly budget/spending form for the next three month time period.

Remember, your finances will continue to change throughout the recovery period. It is important to know where you stand financially as you work to manage your income, expenses, and debt. For that reason, you may want to complete a similar budgeting process for longer than three months. Ideally, this would be an ongoing tool that you use for good financial health.

Here are some things to consider if your expenses are greater than your income:

- Prioritize your bills. Mortgage/rent, food, transportation, and health bills may need to take priority over other expenses.
- If mortgage payments are missed, you may be in jeopardy of losing your home. Read your mortgage loan agreement to determine the consequences for missed payments.
- Make every effort to keep up with your bills. As needed, contact your creditors to negotiate a payment plan.
- Work with a financial educator or counselor to explore strategies and options. See: the Finding Help and Resources section in the Where do I start? unit for more information.
- Explore as many strategies/options as possible. Do not limit to the examples provided in this toolkit. Ask others for suggestions and be willing to try new ways to cut expenses as needed.

Monthly Budget/Spending Plan

Name: Sam & Joan Younger Months/Year June-August, 20XX

Using the form below:

1. Determine your monthly family income and expenses prior to the disaster (“Budget Prior to Disaster”).
2. Estimate what your budget is now post-disaster (“Estimated Current Budget”).
3. Track income and expenses for three months (“Actual Income”).
4. Make changes to your monthly budget as needed (utilizing the “Comments” column).
5. After three months, revise your budget (“Revised Current Budget”) and start a new monthly budget/spending plan.

Gross Annual Income: \$42,000 (Same) + \$24,400 (Joan) = \$66,400

Monthly Income*							
Net Monthly Income Source	Budget Prior to Disaster	Estimated Current Budget	Actual Income			Revised Current Budget	Comments
			Month 1: <i>June</i>	Month 2: <i>July</i>	Month 3: <i>August</i>		
Income 1:	2,625	2,625	2,625	2,625	2,625	2,625	
Income 2:	1,525	1,525	1,525	1,525	1,525	2,625	
Income 3:							
Income 4:							
Total Net Monthly Income	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	

*Just include take home pay in your income totals. Remember to include all your income from jobs, SS, SSI, SSDI, investments, disaster-related donations/grants/assistance, etc.

Monthly Expenses							
Expense Category	Budget Prior to Disaster	Estimated Current Budget	Actual Income			Revised Current Budget	Comments
			Month 1: <i>June</i>	Month 2: <i>July</i>	Month 3: <i>August</i>		
Housing							
Mortgage (PITI)	695	695	695	695	695	695	
2 nd Mortgage							
Other home loan(s)							
Rent		0	0	0	0	0	FEMA trailer
Homeowners/renters insurance							
Property taxes							
Gas	130	0	0	0	0	0	shut off
Electricity	125	260	243	272	315	277	house & trailer
Water, sewer	60	78	78	76	81	78	house & trailer
Garbage							
Telephone	35	0	0	0	0	0	shut off
Cell phone							
Cable							
Internet	35	0	0	35	35	35	Was shut off; needed it for applications
Maintenance	100	0	0	0	0	0	FEMA trailer
Other:							
Food							
Groceries	130	170	165	160	170	165	used food shelf
Eating out	50	300	350	300	300	316	
School lunch	100	100	0	0	0	100	summer
Other:							
Transportation							
Gas	130	170	165	160	170	165	
Maintenance/oil	150	150	150	150	150	150	
Vehicle payment	200	400	400	400	400	400	rental; 1 car destroyed
Vehicle insurance	125	175	175	175	175	175	
Other: <i>Tabs</i>	10	10	10	10	10	10	

Monthly Expenses							
Expense Category	Budget Prior to Disaster	Estimated Current Budget	Actual Income			Revised Current Budget	Comments
			Month 1: <i>June</i>	Month 2: <i>July</i>	Month 3: <i>August</i>		
Health							
Health insurance/co-pay/deductible	160	160	160	160	160	160	
Prescription	50	75	75	70	70	71	replaced
Over-the-counter	10	20	20	10	10	14	replaced
Life insurance	40	40	40	40	40	40	
Other: <i>Eye/dental ins.</i>	125	125	125	125	125	125	
Personal							
Clothing	150	200	150	150	200	167	replaced
Clothing care	20	20	20	20	20	20	
Personal care	50	35	35	35	50	40	
Child care	0	150	100	75	75	83	for clean-up
Diapers, supplies							
Child support							
Child allowance	60	0	0	60	60	40	
School activities	75	0	0	0	25	75	summer
Education							
Household items	75	75	75	75	75	75	
Gifts	75	20	20	40	40	33	
Entertainment/rec.	50	20	20	30	30	26	
Vacation	50	0	0	0	0	0	
Pets	40	40	40	40	40	40	
Personal spending	100	50	50	50	50	50	
Contributions/dues	50	0	0	25	50	50	gym; restarted
Other:							
Savings and Debts Payments							
Savings	25	0	0	0	0	0	cont. later
Credit Card 1: <i>Visa</i>	96	130	130	135	130	131	
Credit Card 2: <i>Best Buy</i>	36	60	60	60	60	60	

Monthly Expenses							
Expense Category	Budget Prior to Disaster	Estimated Current Budget	Actual Income			Revised Current Budget	Comments
			Month 1: <i>June</i>	Month 2: <i>July</i>	Month 3: <i>August</i>		
Savings and Debts Payments (continued)							
Credit Card 3: <i>JCPenney</i>	18	34	34	34	40	36	
Other Debt: <i>Medical</i>	75	75	75	75	75	75	
Other Debt:							
Total Monthly Expenses	\$4,150	\$4297	\$4,105	\$3,922	\$4,115	\$3,977	

	Budget Prior to Disaster	Estimated Current Budget	Actual			Revised Current Budget	Comments
			Month 1: <i>June</i>	Month 2: <i>July</i>	Month 3: <i>August</i>		
Total Net Monthly Income	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	
Total Monthly Expenses	\$4,150	\$4,297	\$4,105	\$3,922	\$4,155	\$3,977	
Bottom Line <i>(Total Net Monthly Income minus Total Expenses)</i>	\$0	-\$147	\$45	\$228	\$35	\$173	

If your monthly budget is exact, your bottom line would equal zero. This means that your income covers your expenses exactly. As you will discover, this rarely happens consistently on a month-to-month basis! If your bottom line is a positive number, you had more income than expenses. If this happens consistently and you don't suspect an increase in expenses in the near future, you might want to consider increasing the amount that you put into a savings or investment account.

After a disaster, it is not uncommon to have a negative bottom line. With your increasing disaster-related expenses, you may need to find additional sources of income (disaster-related assistance, etc.) or cut unnecessary expenses (gym memberships, cable, etc.) to help balance your monthly budget.

What changes do you need to make to your monthly budget? *We've adjusted along the way; need to keep an eye on it. We'll definitely need some additional income, hopefully from some disaster assistance program, to help cover rebuild costs.*

Monthly Budget/Spending Plan

Name: _____ Months/Year _____

Using the form below:

1. Determine your monthly family income and expenses prior to the disaster (“Budget Prior to Disaster”).
2. Estimate what your budget is now post-disaster (“Estimated Current Budget”).
3. Track income and expenses for three months (“Actual Income”).
4. Make changes to your monthly budget as needed (utilizing the “Comments” column).
5. After three months, revise your budget (“Revised Current Budget”) and start a new monthly budget/spending plan.

Gross Annual Income: _____

Monthly Income*							
Net Monthly Income Source	Budget Prior to Disaster	Estimated Current Budget	Actual Income			Revised Current Budget	Comments
			Month 1:	Month 2:	Month 3:		
Income 1:							
Income 2:							
Income 3:							
Income 4:							
Total Net Monthly Income							

**Just include take home pay in your income totals. Remember to include all your income from jobs, SS, SSI, SSDI, investments, disaster-related donations/grants/assistance, etc.*

Monthly Expenses							
Expense Category	Budget Prior to Disaster	Estimated Current Budget	Actual Income			Revised Current Budget	Comments
			Month 1:	Month 2:	Month 3:		
Housing							
Mortgage (PITI)							
2 nd Mortgage							
Other home loan(s)							
Rent							
Homeowners/renters insurance							
Property taxes							
Gas							
Electricity							
Water, sewer							
Garbage							
Telephone							
Cell phone							
Cable							
Internet							
Maintenance							
Other:							
Food							
Groceries							
Eating out							
School lunch							
Other:							
Transportation							
Gas							
Maintenance/oil							
Vehicle payment							
Vehicle insurance							
Other:							

Monthly Expenses							
Expense Category	Budget Prior to Disaster	Estimated Current Budget	Actual Income			Revised Current Budget	Comments
			Month 1:	Month 2:	Month 3:		
Health							
Health insurance/co-pay/deductible							
Prescription							
Over-the-counter							
Life insurance							
Other:							
Personal							
Clothing							
Clothing care							
Personal care							
Child care							
Diapers, supplies							
Child support							
Child allowance							
School activities							
Education							
Household items							
Gifts							
Entertainment/rec.							
Vacation							
Pets							
Personal spending							
Contributions/dues							
Other:							
Savings and Debts Payments							
Savings							
Credit Card 1:							
Credit Card 2:							

Monthly Expenses						
Expense Category	Budget Prior to Disaster	Estimated Current Budget	Actual Income			Comments
			Month 1:	Month 2:	Month 3:	
Savings and Debts Payments (continued)						
Credit Card 3:						
Other Debt:						
Other Debt:						
Total Monthly Expenses						

	Budget Prior to Disaster	Estimated Current Budget	Actual			Comments
			Month 1:	Month 2:	Month 3:	
Total Net Monthly Income						
Total Monthly Expenses						
Bottom Line (Total Net Monthly Income minus Total Expenses)						

If your monthly budget is exact, your bottom line would equal zero. This means that your income covers your expenses exactly. As you will discover, this rarely happens consistently on a month-to-month basis! If your bottom line is a positive number, you had more income than expenses. If this happens consistently and you don't suspect an increase in expenses in the near future, you might want to consider increasing the amount that you put into a savings or investment account.

After a disaster, it is not uncommon to have a negative bottom line. With your increasing disaster-related expenses, you may need to find additional sources of income (disaster-related assistance, etc.) or cut unnecessary expenses (gym memberships, cable, etc.) to help balance your monthly budget.

What changes do you need to make to your monthly budget? _____

Step 2: Determine Your Net Worth

You will need to have more than a monthly budget to make sound financial decisions. Knowing your net worth will help you determine your financial options or strategies.

You may be asking yourself, what is net worth and why does it matter? Here's some information about net worth:

- Net worth is the current value of your financial holdings. Your net worth takes into account two groups of items:
 - Assets are your physical property (i.e. home or autos) or intangible rights (i.e. money someone else owes you) that have value. Assets are useful because you can spend them, sell them, or use them as security on a loan.
 - Liabilities are your debts, or amounts of money you owe to someone else. Liabilities can be short-term or long-term. Short-term liabilities are generally paid off within one year whereas long-term ones usually take longer to pay off. Liabilities can also be secured or unsecured. Secured liabilities, such as mortgages or auto loans, require you to pledge a specific asset (like your house) to ensure payment of the debt. Unsecured liabilities, on the other hand, do not have an asset pledged and is based solely on your personal credit worthiness. Liabilities may also be referred to as “debt load.”
- A net worth statement is a snapshot of the current value of your financial holdings. The market value of your assets can change based upon what is happening in the economy. It is recommended that individuals update their net worth statement at least once a year to help gauge your financial progress. It is a good first step to assuring a financially sound future.

You can calculate your net worth by subtracting the value of your liabilities from your assets. The **What is my net worth?** tool found at the end of this section will walk you through the process of calculating your net worth. Knowing your net worth will help you understand if you are in a place to leverage more dollars because the value of your assets is greater than your total liabilities. Alternatively, if what you owe outweighs what you own, you will have to explore different strategies like increasing income or making a plan to reduce debt.

It should be noted that after a disaster you may find that the damages to your home or property will cause your net worth to decrease. It is important to understand net worth when making financial decisions. For example, if your net worth value has gone down due to home damage from a flood, you may have a hard time getting a traditional secured loan from the bank for home repairs.

There is an example of a completed What is your net worth? tool at the end of this section. Review Sam and Joan Younger's to make sure that you understand the tool. Once you have reviewed it, take time to complete the tool yourself.

After you have completed the net worth tool, ask yourself:

- What is the current value of your assets (what you own)?
- What are your current liabilities (what you owe)?
- How has your net worth changed due to the disaster?

Here are some strategies to consider after you know your net worth:

- Do you have any assets that are completely paid for (coin collections, stocks, certificates of deposit, etc.) that you can sell or cash in? This may be an option to help offset your current financial need.
- If you have assets that are not completely paid for (car, etc.), you may be able to sell them if they are not essential and make enough money to pay off the remaining debt. This will help you decrease your current debt load.
- If you currently have a negative net worth you may wish to work with a financial professional to set goals and work towards creating a positive net worth. Ideally you want the value of your assets to be higher than the total amount of your liabilities.
- Remember, when determining strategies and options, explore as many as possible. Do not limit them to the examples provided in this toolkit. Get creative!

What is my net worth?

Name: Sam & Joan Younger

Date: July 20XX

CURRENT ASSETS *(How much you own)*

Cash

- Checking account \$350
- Saving account \$2,300
- Money market account _____
- Life insurance (cash value) _____
- Other: _____

Investments

- CDs \$1,000
- Bonds _____
- Mutual Funds _____
- Stocks _____
- Other: *Coin collection* \$380

Long Term Tax Favored Assets

- Pension fund (if vested) _____
- Tax Deferred Annuity _____
- IRA _____
- 401K \$52,000
- Other: _____

Real Property (Market Value)

- Home (after disaster) \$20,000
- Other real estate _____
- Vehicles \$7,500
- Personal property \$6,000
- Other: _____

Money Owed to You

- Loans owed to you _____
- Income tax refund due _____
- Tax refund due _____
- Other: _____

TOTAL ASSETS: \$89,530

CURRENT LIABILITIES *(How much you owe)*

Real Estate

- Mortgage (principal only) \$110,000
- \$ 2,300 Home equity loan _____
- Other: _____

\$ _____

Other Debt

- Credit cards \$5,000
- Student loans _____
- Vehicle loans or leases \$5,500
- Personal loans _____
- Line of credit loans _____
- 401K or life ins. Loans _____
- Other: *Medical* \$5,000

Taxes Owed

- Income taxes – Federal _____
- Income taxes – State _____
- Property taxes \$325

Contractual Obligations

- Leases _____
- Tuition _____
- Other: _____

TOTAL LIABILITIES: \$125,825

My Net Worth

Total Assets – Total Liabilities = Net Worth

\$89,530 – \$125,825 = -\$36,295

My net worth is -\$36,295

What is my net worth?

Name: _____

Date: _____

CURRENT ASSETS *(How much you own)*

Cash

- Checking account _____
- Saving account _____
- Money market account _____
- Life insurance (cash value) _____
- Other: _____

Investments

- CDs _____
- Bonds _____
- Mutual Funds _____
- Stocks _____
- Other: _____

Long Term Tax Favored Assets

- Pension fund (if vested) _____
- Tax Deferred Annuity _____
- IRA _____
- 401K _____
- Other: _____

Real Property (Market Value)

- Home (after disaster) _____
- Other real estate _____
- Vehicles _____
- Personal property _____
- Other: _____

Money Owed to You

- Loans owed to you _____
- Income tax refund due _____
- Tax refund due _____
- Other: _____

TOTAL ASSETS: _____

CURRENT LIABILITIES *(How much you owe)*

Real Estate

- Mortgage (principal only) _____
- \$ 2,300 Home equity loan _____
- Other: _____

\$ _____

Other Debt

- Credit cards _____
- Student loans _____
- Vehicle loans or leases _____
- Personal loans _____
- Line of credit loans _____
- 401K or life ins. Loans _____
- Other: *Medical* _____

Taxes Owed

- Income taxes – Federal _____
- Income taxes – State _____
- Property taxes _____

Contractual Obligations

- Leases _____
- Tuition _____
- Other: _____

TOTAL LIABILITIES: _____

My Net Worth

Total Assets – Total Liabilities = Net Worth

_____ – _____ = _____

My net worth is

Step 3: Determine Whether or Not You Can Afford Another Payment

This section will help you determine your ability to afford another payment. Even though we have not explored all the options that may be available to you it is important to know if you can currently afford to take on additional debt.

Use the **Can I Afford Another Payment?** tool found at the end of this section to help you to determine your debt-to-gross monthly income ratio. You probably have a good understanding of what debt is. Your gross monthly income is your income before taxes.

Why do you need to know your debt-to-gross income ratio?

- A debt-to-gross income ratio of .36 (36%) or less suggests that your income is enough to cover your debt payments. It implies some flexibility for handling other expenses.
- A debt-to-gross income ratio of .36 (36%) or more on the other hand suggests that your income may not be enough to cover your debt payments. It implies there is less flexibility if expenses increase.

At the end of this section you will find an example of the Younger family's financial calculation of their debt-to-gross monthly income ratio using the Can I Afford Another Payment? tool. Consider the following about their example:

- *What does the 20% debt-to-gross monthly income ratio tell you about the Younger family's pre-disaster financial situation?* Given that it's lower than 36% it suggests that their gross income was adequate to cover pre-disaster debt payments.
- *What may it mean for the Younger family's ability to handle more debt now after the disaster?* Their 20% debt-to-gross monthly income ratio implies some flexibility in handling other expenses.

After reviewing the example, use the tool yourself to calculate your own debt-to-gross income monthly ratio. After completing it, answer the following questions:

- What does your debt-to-gross monthly income ratio tell you about your pre-disaster financial situation?
- What does your debt-to-gross monthly income mean for your post-disaster ability to handle more debt?

Comparing your debt-to-income ratio to what financial professionals suggest as an affordable amount of debt will provide you with another piece of your current financial puzzle. When used with the three other assessment tools provided in this unit it will help you understand the big picture of their post-disaster financial situation. This will better prepare you to determine actions to explore and options available.

Can I afford another payment?

Name: Sam and Joan Younger

Date: July 20XX

Before you decide to take on another payment ask yourself: *can I afford another payment?*

Financial professionals use a debt-to-income ratio to determine if their customers can afford another payment. You can use the same process. Follow the five steps below to determine your debt-to-gross monthly income ratio.

DEBT-TO-GROSS MONTHLY INCOME RATIO

- IDENTIFY** your current monthly debt payments into four payment categories: mortgage/rent, vehicle, credit card, and other loan payments. For your home/rent payments, include any second mortgage and/or home equity payments. For your other loan payments, include any regular monthly not already covered – school, personal, family, other property, etc.

Monthly Mortgage Rent or Payment(s) \$695

Monthly Car Payment(s) \$200

Monthly Credit Card Payment(s) \$225

Other Monthly Loan Payment(s) _____

- ADD** your monthly debt payments. \$1,120 = Total Monthly Debt Payments

- IDENTIFY** your total gross monthly income (your income before deductions). \$5,533 = Total Gross Monthly Income

- DIVIDE** your total monthly debt payments by your monthly gross income. This is your debt-to-gross monthly income ratio.

Total Monthly Debt Payments ÷ Gross Monthly Income = Debt-to-Gross Monthly Income Ratio

\$1,120 ÷ \$5,533 = .2 (or 20%) Debt-to-Gross Monthly Income Ratio

- COMPARE** your debt-to-gross monthly income ratio to what financial professionals suggest as an affordable percentage of debt to income. A ratio of .36 (36%) or less suggests that your income is enough to cover your debt payments. It implies some flexibility for handling other expenses. A ratio of .36 (36%) or more suggests that your income is not enough to cover debt payments and there is less flexibility.

Adapted from Garman and Forgue's Personal Finance (2006, 8th edition, Boston, MA: Houghton Mifflin Co.).

Can I afford another payment?

Name _____

Date: _____

Before you decide to take on another payment ask yourself: *can I afford another payment?*

Financial professionals use a debt-to-income ratio to determine if their customers can afford another payment. You can use the same process. Follow the five steps below to determine your debt-to-gross monthly income ratio.

DEBT-TO-GROSS MONTHLY INCOME RATIO

6. **IDENTIFY** your current monthly debt payments into four payment categories: mortgage/rent, vehicle, credit card, and other loan payments. For your home/rent payments, include any second mortgage and/or home equity payments. For your other loan payments, include any regular monthly not already covered – school, personal, family, other property, etc.

Monthly Mortgage Rent or Payment(s) _____

Monthly Car Payment(s) _____

Monthly Credit Card Payment(s) _____

Other Monthly Loan Payment(s) _____

7. **ADD** your monthly debt payments. _____ = **Total Monthly Debt Payments**

8. **IDENTIFY** your total gross monthly income (your income before deductions). _____ = **Total Gross Monthly Income**

9. **DIVIDE** your total monthly debt payments by your monthly gross income. This is your debt-to-gross monthly income ratio.

Total Monthly Debt Payments ÷ Gross Monthly Income = Debt-to-Gross Monthly Income Ratio

_____ ÷ _____ = _____ **Debt-to-Gross Monthly Income Ratio**

10. **COMPARE** your debt-to-gross monthly income ratio to what financial professionals suggest as an affordable percentage of debt to income. A ratio of .36 (36%) or *less* suggests that your income is enough to cover your debt payments. It implies some flexibility for handling other expenses. A ratio of .36 (36%) or *more* suggests that your income is not enough to cover debt payments and there is less flexibility.

Adapted from Garman and Forgue's Personal Finance (2006, 8th edition, Boston, MA: Houghton Mifflin Co.).

Step 4: Review Your Credit Report

If your financial records have been destroyed, it is often hard to assess your current financial situation and properly plan for your future. Credit reports can help by filling in some of the missing information about your financial obligations. A credit report can tell you the following information:

- Account name and number.
- Date the account was opened.
- The balance due (in other words, your debt).
- Any past due amounts.
- Contact information for the financial institution, needed to report lost or stolen cards, discuss account information, and request hard copies of account transactions if needed.

A credit report will provide you with a current snapshot of your financial account information: mortgage debt, installment debt (car loans, etc.), and revolving accounts such as credit cards. It will not list any personal loans that are being financed by a friend or relative, only debt related to accounts backed by financial institutions.

You can request one free copy of your credit report from each of the three credit bureaus each year. To request your free credit report, see the **How to Get a Copy of Your Credit Report** tool found at the end of this section.

When you apply for a loan the financial institution itself will also access your credit report. They use your credit report to find:

- The amount of current debt you have.
- If you have been making debt payments on time.
- How long you have been using credit.
- Any new applications that have been made for credit.
- The number and type of credit accounts.
- Any negative credit history such as garnishments, liens on property, bankruptcies, and other judgments that might affect your loan request.

Additionally, they may consider how long you have lived at your current address and/or how long you have been with the same job or employer. Financial institutions will use this information to determine the risk involved in extending you credit.

A credit report can also help you identify fraud and/or errors. When you receive your credit reports, it is important to ensure that all the information is correct. If you find accounts on your credit report that are not accurate or are not yours, you can dispute those accounts. You do not need to hire someone to fix your credit report. See the **Sample Letter of Credit-related Dispute** tool found at the end of this section. Getting the error corrected is sometimes as easy as writing a letter or making a phone call. Depending on the seriousness of the error you may want to correct the error as soon as possible; otherwise circle the error and put it on a list of things to do when your other major financial issues have been addressed.

You will not receive a credit score with your free credit report. If a credit score is needed for a loan application, the financial institution will request permission to obtain your credit score. For most other purposes, the free credit report should meet your needs.

While you may see lots of advertisements for credit reports, you are never required to make a purchase or give a credit card number to obtain your credit reports. Any offers you receive through email, phone, mail, or pop-up ads on a computer are not legitimate and should be ignored.

Lastly, maintaining a good credit score may be easier than you think. See the **How to Maintain a Good Credit Score** tool found at the end of this section to understand the key items that are considered in calculating a credit score.

How to Get a Copy of Your Credit Report

Credit reports contain information about how you have paid your bills and debts. Credit bureaus collect information about your credit transactions from your creditors, employers, and public records. The three major credit bureaus are Equifax, Experian, and Trans Union.

Everyone may get one free copy of their credit report from each credit bureau each year. You should review your credit reports annually. Many reports contain errors that may affect the cost and availability of credit. You can correct errors in your report. Checking your reports may also help you detect possible identity theft fraud. Here's how to request your free credit reports:

1. Use the central website: www.annualcreditreport.com.
2. Call toll free: 877-322-8228.
3. Write: Annual Credit Report Request Service, PO Box 105281, Atlanta, GA, 30348-5281.

A request form to order all 3 at one time may be printed from www.ftc.gov/credit. Credit reports ordered by phone or mail will arrive in 15 days.

You will need to give the credit bureau this information:

- Full name (including Jr., Sr., III).
- Current address and addresses for the last two years.
- Social Security Number.
- Date of birth.

For security each credit bureau may also request other information only you will know, such as your monthly rent or cell phone payments.

Keep this in mind when ordering your credit reports:

- You are not required to make a purchase to obtain the free report.
- Use only the specific address, www.annualcreditreport.com, to get a free report online. Other sites will advertise free credit reports, but they will likely ask for a credit card number. This enrolls you in a monthly service for a fee.
- Credit bureaus will not contact consumers by email, phone, mail, or through pop-up ads on a computer. Ignore these offers to protect yourself against fraud.

You may also receive a free copy of your credit reports any time you:

- Receive public assistance benefits.
- Are unemployed and plan to seek employment within 60 days.
- Your credit report was inaccurate due to fraud.
- You are denied credit based on any report in the last 60 days (enclose denial letter).

Contact the credit bureau directly if you are eligible, by calling:

Equifax: 800-685-1111 Experian: 866-200-6020 Trans Union: 800-916-8800

This is part of Anderson-Porisch, Heins, Petersen, Hooper, and Bauer's Dollar Works 2: A Personal Financial Education Program (Action Page 8-3, 2007, University of Minnesota Extension). Used by permission.

Sample Letter of Credit-related Dispute

If you have found an error on your credit report this letter may be used as a guide to correct the error. Send your letter to the credit bureau reporting the error. Here is a sample of what you would say in this letter.

Date: _____

TO: Credit Bureau
Complaint Department
Address
City, State Zip Code

To Whom It May Concern:

Please investigate the following information in my credit report. I believe it is not accurate and should be removed from my credit file. I've also circled the item in dispute in the enclosed credit report you sent to me. The credit account is as follows:

Up Town Store, Address, City, State Zip Code
Account Number: ABC1234

I negotiated an agreement with this electronics store to reschedule my payments. Under that agreement my payments have been on time (see enclosed copies), but not properly credited, resulting in an incorrect report of the account being in default. Please update my credit report and send a copy to me when the investigation is concluded. Also please send the results to the following business which has reviewed my credit report within the last 12 months.

XYZ Company, Address, City, State Zip Code

Also please send the results to my employer who reviewed my credit report within the last 12 months.

Employer Name, Address, City, State Zip Code

Thank you for your help and prompt attention to this matter.

Sincerely,
Person's Signature

Name

Address

City, State Zip Code

Phone Number: _____

Your Date of Birth: _____

Enclosures: Payment Records
Credit Report with item(s) in question circled

This is part of Anderson-Porisch, Heins, Petersen, Hooper, and Bauer's Dollar Works 2: A Personal Financial Education Program (Action Page 8-5, 2007, University of Minnesota Extension). Used by permission.

How to Maintain a Good Credit Score

Credit scoring systems look at how you use credit. They usually check on your history in the areas listed below. How well are you doing? Place a check mark in front of the statement(s) where you may need to make changes to boost your credit score.

Payment history

- Pay bills on time.
- Make credit payments 5 to 10 days before they are due to avoid the risk of paying late fees.
- Avoid companies that say for a fee, they will “fix” your credit. A person can do the same thing by contacting creditors.
- Stay current on student loan payments.

Amount of outstanding debt

- Keep credit card balances low. A low balance on two credit cards may be better than a high balance on one.
- Avoid taking on new debt.
- Pay more than the minimum on credit balances to avoid extra finance charges.
- Make a payment on a credit card with a balance as soon as possible after the bill arrives.

Length of credit history

- Have a long credit history with at least one financial institution.
- Review your credit report every year to check information for accuracy.
- Review your credit report if your name has changed and to check accuracy of your Social Security number.
- If you are married, have some credit accounts in your name as well as some in the name of your spouse to establish a credit history for both people.

Applications for new credit

- Whenever possible, pay with cash instead of using credit.
- Apply for credit only on an as-needed basis.

Number and type of credit accounts

- Shop for credit that has a low annual percentage rate (APR) and no annual fee.
- Have and use only one or two credit cards.

Other considerations

- Live at the same address for five or more years.
- Buy a home and pay the mortgage and utilities on time.
- Stay at the same job for three years or more.
- Give a street address rather than a post office box or general delivery address.

This is part of Anderson-Porisch, Heins, Petersen, Hooper, and Bauer's Dollar Works 2: A Personal Financial Education Program (Action Page 8-4, 2007, University of Minnesota Extension). Used by permission.

Step 5: Summarize Your Current Financial Situation

When a person determines their overall financial situation they may have mixed emotions, ranging anywhere from surprise, regret, relief, disappointment, anger, anxiousness, or excitement. These are all normal reactions.

After a disaster, it is common to find that there are not enough resources to move forward quickly to get back on your feet. Seeking disaster-related resources or utilizing existing resources that you have never tried to access before may now be an important part of your disaster recovery puzzle.

The previous sections of this unit – the first four steps – should have given you a good picture of your current financial situation. If the picture was not exactly what you had hoped to see, that knowledge is extremely important as you make decisions and move forward.

You are now nearing the end of the financial unit of this toolkit. Before you move onto the housing unit, please complete the **What is my current financial situation (post-disaster)?** tool found at the end of this section. This will help you summarize the earlier four steps that you completed in this unit and ensure that you have a complete understanding of your financial picture. At the end of this section, you will find an example of the Younger family's completed tool along with the blank tool for you to complete.

Lastly, it is important to acknowledge once again that financial situations are often complex following a disaster. If it was difficult to complete the four steps above or if you would like to better understand what it all means for your eligibility for assistance, you may want to meet with a financial professional. To find a financial professional close to you see the suggestions mentioned in the Finding Helpers and Additional Resources section of the Where do I start? unit. You may also be interested in **Disaster Resources for MN and ND Families** found in the Appendix section of this unit

What is my current financial situation (post-disaster)?

Name: Sam and Joan Younger

Date: July 20XX

You now have four important pieces of your current financial situation to consider:

1. MONTHLY BUDGET/SPENDING PLAN

Look at the “Bottom Line” row on your **Monthly Budget/Spending Plan** tool and answer the following questions:

- What was your budgeted bottom line prior to the disaster? \$0
 - Were you meeting your monthly obligations? Yes, just meeting them
- What is your budgeted bottom line after the disaster? -\$147
 - Are you meeting your monthly income and expense needs? No
 - Are there ways to reduce expenses? Cancel gym membership
 - Are there ways to increase income? Sell coin collection
 - Are you accessing available assistance? Not yet; need to apply

2. NET WORTH

Looking at your completed **What is my net worth?** tool, answer the following questions:

- What was your net worth? -\$36,295
- Has your net worth decreased due to disaster damage to assets? Yes
 - If you have a negative net worth, you may wish to work with a financial professional to set goals and work towards minimizing liabilities, building assets, and creating a positive net worth.

3. DEBT-TO-GROSS MONTHLY INCOME RATIO

Looking at your completed **Can I afford another payment?** tool, answer the following questions:

- What is your debt-to-gross monthly income ratio? .20 or 20%
- Is your ratio less or more than .36 or 36%? Less More
 - What does this tell you about your ability to take on more debt?
It looks like we can take on more debt but need to make sure our debt doesn't become too high with the home repairs.

4. CREDIT REPORT

Looking at your credit report, answer the following questions:

- Are you current on your debt payments? No, we are behind one month of the mortgage payment and have been late on one of the credit cards three times in the past year.
- Do you have judgments and liens against you? No
- Are you over the limit on your credit cards? Within \$500 of maxing out Visa
- Are you a good credit risk? We need to get current on our credit and mortgage payments and try to pay down the Visa card.
 - Your credit behavior is one piece of information used to determine loan eligibility and the interest rate you will be charged.

5. PLANS FOR CHANGE

Looking at all the information above, what changes do you need to make?

Look for disaster assistance; the home repairs will be too much with our current income. Find out if there's a rebuild program. Check with our bank to determine our options for a traditional loan program. We have to look at cancelling the gym membership and cable again and see if there are assistance programs at school to cover the kids' sports and lunches

Do you need to see a financial professional? Yes No Maybe later

If so, answer the following questions:

- Where will you look for a financial professional? Case manager, mortgage loan officer, financial counselor
- What specifically do you want help with? Check pages of this toolkit on how to find a financial professional.

What is my current financial situation (post-disaster)?

Name: _____

Date: _____

You now have four important pieces of your current financial situation to consider:

1. MONTHLY BUDGET/SPENDING PLAN

Look at the “Bottom Line” row on your **Monthly Budget/Spending Plan** tool and answer the following questions:

- What was your budgeted bottom line prior to the disaster? _____
 - Were you meeting your monthly obligations? _____
- What is your budgeted bottom line after the disaster? _____ - _____
 - Are you meeting your monthly income and expense needs? _____
 - Are there ways to reduce expenses? _____
 - Are there ways to increase income? _____
 - Are you accessing available assistance? _____

2. NET WORTH

Looking at your completed **What is my net worth?** tool, answer the following questions:

- What was your net worth? _____ - _____
- Has your net worth decreased due to disaster damage to assets? _____
 - If you have a negative net worth, you may wish to work with a financial professional to set goals and work towards minimizing liabilities, building assets, and creating a positive net worth.

3. DEBT-TO-GROSS MONTHLY INCOME RATIO

Looking at your completed **Can I afford another payment?** tool, answer the following questions:

- What is your debt-to-gross monthly income ratio? _____
- Is your ratio less or more than .36 or 36%? Less More
 - What does this tell you about your ability to take on more debt?

4. CREDIT REPORT

Looking at your credit report, answer the following questions:

- Are you current on your debt payments? _____

- Do you have judgments and liens against you? _____
- Are you over the limit on your credit cards? _____
- Are you a good credit risk? _____

➤ Your credit behavior is one piece of information used to determine loan eligibility and the interest rate you will be charged.

5. PLANS FOR CHANGE

Looking at all the information above, what changes do you need to make?

Do you need to see a financial professional? Yes No Maybe later

If so, answer the following questions:

- Where will you look for a financial professional? _____

- What specifically do you want help with? _____

Appendix Table of Contents

Disaster Resources for MN and ND Families.....	111
About this Toolkit.....	119

Disaster Resources for MN and ND Families

North Dakota State University Extension – <http://www.ag.ndsu.edu>

- Extension Family Economics Information – <http://www.ag.ndsu.edu/money/>

University of Minnesota Extension – www.extension.umn.edu

- Extreme Weather: Prepare and Recover – Resources to help prepare and recover from disaster; <http://www.extension.umn.edu/extreme-weather/index.html>
- Family – Resources on housing, resource management, parenting, food, nutrition, and health; www.extension.umn.edu/family
- AnswerLine – Information and resources for consumers with home & family questions; 800-854-1678
- Farm Info Line – Answers from agriculture experts; www.extension.umn.edu/issues/fil/ or 800-232-9077

Other Extension Resources

- eXtension – Resources from several state Extension programs across the nation; <http://www.extension.org/>

DISASTER AND CRISIS RESOURCES

National Relief Agencies

- American Red Cross – Helps prepare communities for emergencies and keep people safe; www.redcross.org
- Catholic Charities – Disaster preparedness and response provides relief and recovery services including emergency food, shelter, direct financial assistance, counseling, and support; www.catholiccharitiesusa.org or 800-919-9338
- Extension Disaster Education Network – Educational resources to reduce the impact of natural and man-made disasters; www.extension.org/pages/Extension_Disaster_Education_Network_Community_Page
- Federal Emergency Management Agency (FEMA) – May provide assistance and tax relief to residents of a county declared a natural disaster by the President; www.fema.gov or 800-621-FEMA
- Lutheran Social Services (LSS) – Following a major domestic disaster, LSS works with the national office of Lutheran Disaster Response (LDR) to bring help, hope and healing to disaster survivors and their caregivers; www.lssmn.org/disaster/ or 800-582-5260
- The Salvation Army – Provides assistance and resources during a disaster; contact local The Salvation Army or go to www.salvationarmy.org
- Small Business Administration (SBA) – Provides low interest disaster loans to homeowners, renters, businesses of all sizes and private, non-profit organizations to repair or replace property that has been damaged or destroyed in a declared disaster; www.sba.gov/services/disasterassistance/
- United Methodist Committee on Relief (UMCOR) – Provides long-term recovery as well as immediate relief; <http://new.gbqm-umc.org/umcor/work/emergencies/> or 212-870-3951

Minnesota Relief Agencies

- County Family Services (or Human or Social Services) – Meet basic needs: health care, economic assistance, and services for children, people with disabilities & older people; local phone book or www.dhs.state.mn.us
- Crisis Connection – 24-hour crisis counseling by telephone; www.crisis.org/ or 866-379-6363 or 651-379-6363
- Minnesota Homeland Security and Emergency Management – Information on assistance programs for disaster survivors and communities, volunteer coordination and animals in disaster; www.hsem.state.mn.us or 651-201-7400
- Minnesota Voluntary Organizations Active in Disasters – The association of voluntary agencies and their partners involved in disaster response, recovery, and preparedness; www.mnvoad.org
- United Way 2-1-1 – Get basic info and locate services to meet needs; www.211unitedway.org or dial “211” or 800-543-7709

Agriculture Resources

Minnesota

- University of Minnesota Extension – <http://www.extension.umn.edu/Agriculture/>
- Families in Tough Times: Resources for Farm Families – Collection of resources for families who live on a farm and/or work in agriculture; <http://www.extension.umn.edu/toughtimes/farmfamilies.html>
- Farm Information Line – Reliable, research-based answers from Extension agriculture experts; 800-232-9077 or www.extension.umn.edu/issues/fil/
- Farmer Lender Mediation – 218-935-5785 or www.extension.umn.edu/community/Mediation/
- MN Farmer Assistance Network (MFAN) – Business and financial guidance to farm families on financial statement preparation, debt restructuring, business reorganization & farm transition; crisis response also available; www.mda.state.mn.us/en/about/mfan.aspx or 877-898-MFAN (6326) or 651-201-6326

North Dakota

- North Dakota State University Extension Service – <http://www.ag.ndsu.edu/ndsuag/disaster-education>

Benefits Screening, Referral Services, and Assistance

- Bridge to Benefits – Determine possible eligibility for public health care, child care, tax credits, food support & energy assistance; English and Spanish; www.bridgetobenefits.org
- County Family Services (or Human or Social Services) – Meet basic needs: health care, economic assistance, and services for children, people with disabilities & older people; local phone book or www.dhs.state.mn.us
- GovBenefits.gov – Official US government website on benefit & assistance programs; www.govbenefits.gov
- MinnesotaHelp.info – Online directory to find human services, information and referral, financial assistance, and other forms of help; www.minnesotahelp.info/public
- Senior Linkage Line – Link to services for seniors; www.tcaging.org/findinghelp/ or 800-333-2433

- United Way 2-1-1 – Get basic info and locate services to meet needs; www.211unitedway.org or dial “211” or 800-543-7709

Consumer Education and Protection

- Federal Trade Commission – Provides consumer protection information; www.ftc.gov or 877-382-4357
- Insurance Federation of Minnesota – Insurance help line; www.insurancemn.org or 651-292-1099
- MN Attorney General – Resources on consumer protection, housing, healthcare, seniors, cars, personal finance, identity theft, charities search, fraud, etc; www.ag.state.mn.us/ or 800-657-3787 or 651-296-3353
- MN Department of Commerce – Info and guidance on banking and insurance; www.commerce.state.mn.us or 800-657-3602 or 651-296-2488
- Direct Marketing Association (DMA) – Remove name to stop direct mail, telemarketing and email lists:
 - Direct Mail Marketing: Send a letter to Direct Mktg. Assoc., Mail Preference Service, PO Box 643, Carmel, NY 10512
 - Telemarketing: Send a letter to Direct Mktg. Assoc., Telephone Preference Service, PO Box 1559, Carmel, NY 10512
 - Email: See www.e-mps.org
- Do Not Call – Place phone numbers on FTC’s national registry; www.donotcall.gov or 888-382-1222
- Opt Out of Credit – “Opt-out” of pre-approved credit offers; www.optoutprescreen.com or 888-567-8688
- Phone Discounts for Low Income Users – Services like Lifeline, Telephone Assistance Plan (TAP), and Link-up; contact local phone company for information

Employment and Unemployment Resources

- Community Action Partnerships – Local assistance to families including: energy assistance, weatherization, food & clothing shelves, Head Start, child care programs, and job assistance/training; www.mncaa.org
- Department of Labor – Resources for employed & unemployed workers (www.dol.gov/ebsa/publications/) and retirement and health care information for dislocated workers (www.dol.gov/ebsa/publications/dislocated_workers_brochure.html)
- MN Workforce Centers – Helps with searching for a job, career planning, and job training; <http://www.mnwfc.org> or 888-438-5627
- MN Department of Employment and Economic Development (DEED) – Essential tools to make job searches successful; www.deed.state.mn.us
- MN Unemployment Insurance – Temporary benefits to qualified persons out of work; <http://www.uimn.org/>
- MN Unemployed – Direct links to information and services; <http://www.minnesotaunemployed.com/>

- RECONNECT – Provides re-entry services that help inmates prepare for release and resources for ex-offenders for job searches, housing, clothing, and family services; www.amicususa.org/index.html or or (612)348-8570

Financial Management

Money Management

- University of Minnesota Extension – Family resource management resources on financial security for later life, Latino & East African financial literacy, resource management for daily living, and youth & money; www.extension.umn.edu/Family/
- American Association of Daily Money Managers (AADMM) – A membership organization provides daily money management services to clients; www.aadmm.com/
- AARP – Money management information with focus on those 50 and over; www.aarp.org/money/
- American Institute of Certified Public Accountants – Tips and tools for managing money through marriage, parenthood, home ownership, college savings, and retirement; www.360financialliteracy.org/
- Consumer Federation of America – Provides consumers with a well-reasoned and articulate voice in decisions that affect their lives in the areas of communications, energy, finance, food and agriculture, health and safety, and housing; www.consumerfed.org/about/consumer_infomation.asp
- Federal Reserve – Information, resources, calculators, and more; www.federalreserve.gov/consumerinfo/default.htm
- Money Sense – An end-consumer resource with basic financial education information and tools; <http://www.nysemoneysense.com/>
- MyMoney.gov – Provides money management tools & resources for service members, women, parents, youth, employers, and more; available in Spanish; <http://www.mymoney.gov/>
- Smart About Money –Articles, worksheets, and other information to manage dollars better from the National Endowment for Financial Education; www.smartaboutmoney.org/
- Social Security Administration – Estimate future benefits or find Medicare and benefits information and applications; www.ssa.gov/
- U.S. Department of Treasury – Answers to personal finance questions; www.treasury.gov/education/faq/personal

Credit Counseling

- National Foundation for Credit Counseling – Find a certified agency; www.nfcc.org or 800-388-2227
- Consumer Credit Counseling Services – www.cccs.org or 651-439-4840 or 888-577-2227
- Lutheran Social Services (LSS) Financial Counseling Service – www.cccs.org or 888-577-2227
- Family Means Consumer Credit Counseling (MN & WI) – www.familymeans.org or 800-780-2890 or 651-789-4014
- The Village Financial Resource Center (MN & ND) – www.helpwithmoney.org or 800-450-4019

Debt Management

- Bankruptcy Resources:
 - Financial Success: Recovery after Bankruptcy – Approved debtor education course from eXtension; www.extension.org/pages/Financial_Security_for_All_Debtor_Education
 - Law Help MN – <http://www.lawhelpmn.org/MN/index.cfm>; click “Consumer & Debt” and then “Bankruptcy”
 - US Trustee Program – Information in multiple languages; www.usdoj.gov/ust/index.htm
- Gambling Resources:
 - Gamblers Anonymous – www.minnesotaga.org or 888-GA-HELPS
 - Gambling Problems Resource Center – Prevention, education, and resources; www.miph.org/gambling/ or 800-333-4673
 - National Council on Problem Gambling – www.ncpgambling.org or 202-547-9204
- Other Debt Resources:
 - Federal Reserve – Information, resources, calculators, and more; www.federalreserve.gov/consumerinfo/default.htm
 - Power Pay – Interactive calculator helps determine how to manage credit and debt; www.extension.usu.edu/finance
 - United States Department of Education – Student loan consolidation info; www.ed.gov or 800-872-5327

Investment Resources

- Federal Reserve – Consumer information, education, and credit card repayment calculators; www.federalreserve.gov/consumerinfo/default.htm
- Financial Industry Regulatory Authority – Investing information; www.finra.org/investors/index.htm
- U.S. Securities and Exchange Commission – Consumer investing publications and online calculators; www.sec.gov/investor.shtml

Food and Nutrition Resources

- University of MN Extension Simply Good Eating Program – Discover how to make healthy food choices while stretching food dollars; <http://www.extension.umn.edu/Nutrition/> or 612-625-8260
- Angel Food Ministries – <http://www.angelfoodministries.com/>
- Fare for All – www.fareforall.org or (metro) 763-450-3880 or (greater MN) 800-582-4291
- Food Shelves – Refer to Hunger Solutions or Minnesota Food Helpline to locate food shelves
- Food Support and Food Assistance Programs – <http://www.dhs.state.mn.us> or contact County Family Services
- Free or Reduced School Breakfast and Lunches – Apply anytime with local school district
- Hunger Solutions – Helps locate food assistance programs www.hungersolutions.org/find
- Minnesota Food Help Line – Assists in applying for food support or finding local food assistance; 888-711-1151
- MyPyramid – personalized eating plans and interactive tools to help plan/assess food choices based on the Dietary Guidelines for Americans; <http://www.mypyramid.gov/>
- Spend Smart, Eat Smart – Ideas for saving and nutritious eating from Iowa State University Cooperative Extension; <http://www.extension.iastate.edu/foodsavings>

- USDA Center for Nutrition Policy and Promotion (CNPP) – Develops and promotes dietary guidance that links scientific research to nutrition needs of consumers; <http://www.cnpp.usda.gov/>
- WIC (Women, Infants & Children) – Supplemental foods, health care referrals, and nutrition education for low-income women, infants, children up to age five who are at nutritional risk; www.fns.usda.gov/wic/

Healthcare, Medical, and Dental Resources

- Apple Tree Dental – nonprofit dental organization dedicated to bringing dental care to people who otherwise would be without; <http://www.appletreedental.org/DentalServices/ClinicLocations/default.aspx>
- Children’s Defense Fund – Healthcare directory for MN; <http://www.cdf-mn.org/health-care-directory>
- County Public Health – Resources to protect, maintain, and improve health; www.health.state.mn.us or consult local phone book
- MN Department of Human Services – Information on health care programs, General Assistance, MN Care, and Medical Assistance; www.dhs.state.mn.us (at top of page click on “health care”) or 800-657-3739
- MN Health Care Program Primary Care Resources – List of low-cost medical, dental, and mental health care providers; <http://edocs.dhs.state.mn.us/lfserver/Legacy/DHS-4741-ENG>

Housing Resources

Heating Assistance

- Minnesota Community Action Partnership – Energy conservation assistance and weatherization programs for low income individuals; www.mncaa.org
- The Salvation Army – Heat Share Program provides emergency heat and utility bill assistance; www.heatshare-mn.org or 800-842-7279

Foreclosure Prevention Resources

- FDIC Foreclosure Prevention – Helps consumers avoid unnecessary foreclosures and stop foreclosure “rescue” scams; <http://www.fdic.gov/consumers/loans/prevention/>
- Federal Housing Administration – www.fha.gov
- Hope for Homeowners – Helps homeowners in distress; www.hopenow.com or 888-995-4673
- Federal Reserve – Resources to help with mortgage payment difficulties; www.federalreserve.gov/consumerinfo/foreclosure.htm
- HOMELine – Resources for tenants impacted by foreclosure; 612-728-5767 or 866-866-3546
- Housing Link – Information on affordable rental listings in Minnesota; www.housinglink.org/Home.aspx
- Minnesota Homeownership Center – Provides info and resources to help Minnesotans begin and maintain home ownership; www.hocmn.org/ or (metro) 651-659-9336 or (greater MN) 866- 462-6466
- Minnesota Housing Finance Agency – Offers products and services to help Minnesotans buy and fix up homes; www.mnhousing.gov or 800-657-3769

- U.S. Department of Housing and Urban Development – Information to help those in foreclosure now or those worried about it in the future; www.hud.gov/foreclosure or 800-569-4287

Immigration and Human Rights Issues

- Free Legal Aid Minnesota – www.usattorneylegalservices.com/free-legal-aid-Minnesota.html
- LawHelpMN – www.lawhelpmn.org/mn/index.cfm/county
- MN Department of Human Rights – www.humanrights.state.mn.us/

Legal Resources

- Law Help MN – Information on legal questions, self help legal forms, and free/low cost legal services; www.lawhelpmn.org
- Mid Minnesota Legal Assistance – www.midmnlegal.org or 800-292-4150
- MN Bar Association Attorney Referral – Free consultation; www.mnfindalawyer.com or 800-292-4152

Military Service Member Resources

- Military One Source – Education, information, resources, referrals, and counseling for military service members and their families; <http://www.militaryonesource.com/skins/mos/home.aspx>
- Supporting Military Families in Minnesota – Information on deployment and supporting military families; <http://www.extension.umn.edu/Parenting/components/militaryfamilies.html>
- TurboTAP – The Department of Defense's official website providing information for service members on transitioning from military service; <http://www.turbotap.org>

Parenting and Family Education Resources

- University of MN Extension – Parenting education resource for parents and professionals; <http://www.parenting.umn.edu>
- University of Minnesota Children, Youth & Family Consortium – Connects to research, policy and resources; <http://www.cyfc.umn.edu>
- Minnesota Parents Know – MN Department of Education website with child development topics for parents of birth-12th grade; <http://www.parentsknow.state.mn.us>
- Parenting 24/7 – Advice on parenting and family life; <http://parenting247.org/>
- Parent Advocacy Coalition for Educational Rights – Information about children with disabilities as well as links to other areas including bullying; <http://www.pacer.org>
- We Can Parent Together – Resources on co-parenting; <http://www.wecanparenttogether.org/>

Tax Assistance

- Accountability Minnesota – Listing of free tax filing clinics; www.accountabilitymn.org or 651-287-0187
- AARP Tax-Aide – Free tax preparation assistance services; www.aarp.org/money/taxaide/ or 888-227-7669
- Internal Revenue Service – www.irs.gov or 800-829-1040
- Mid Minnesota Legal Assistance – Free legal assistance to low-income and non-English speaking taxpayers; www.midmnlegal.org or 800-292-4150
- MN Department of Revenue – www.taxes.state.mn.us or 651-297-3724 or tax help line 651-296-3781
- United Way 2-1-1 – Find free tax assistance locations and other resources; www.211unitedway.org or dial “211” or 800-543-7709
- U of M Law School Tax Clinic – <http://tax.umn.edu/Law%20School%20Tax%20Clinic.pdf> or 612-625-5515

In addition to the authors of this toolkit, Sara Croymans and Shirley Anderson-Porisch, Extension Educators with the University of Minnesota Extension, assisted in the development of this resource list. It was last revised June 2010.

About this Toolkit

A natural disaster can strike anywhere, any time. Natural disasters often leave in its wake damage and destruction that has a long-term impact on the financial well-being of survivors.

If you or a loved one has been affected by a natural disaster, it's important to know that financial recovery takes time. There are no easy fixes and no guarantees.

This Recovery After Disaster: The Family Financial Toolkit discusses strategies and provides tools that can help you move along the road towards financial recovery. It includes three units:

- Where do I start? – This unit has a brief introduction to the whole Recovery After Disaster: The Family Financial Toolkit. It includes key strategies important for your recover including documentation, communication, and getting help, and things to consider when you return to your home.
- Where am I financially? – This unit helps you assess your financial situation and start to make plans for long-term recovery.
- Where will I live? – This unit helps you assess your housing for both short-term and long-term situations.

The family financial recovery process after a disaster is complex. The tools provided in this toolkit are designed to help families make decisions that are best for their family. This toolkit is designed so that those financially impacted by a disaster can utilize the individual units or use the entire toolkit as their situation requires.

Throughout this toolkit you will see examples of how one family, the Youngers, use the tools provided in this toolkit. Sam, age 41, and Joan, age 38, Younger live with their three children (ages 8, 10, and 14) in a small rural town in the upper Midwest. Their community was struck by a tornado. The tools completed by the Younger family may be helpful as you complete the tools for your family.

Additional tools that will be helpful for financial recovery that may not be included with this toolkit include:

- A pencil, pen, or other writing utensil.
- A calculator.

- A disposable camera or video camera to record damage and loss of property.
- A USB drive to save important documents, such as your completed disaster assistance applications, that you complete on a computer.
- File folders for important papers.
- A folder or pocketed sheet protector for business cards you will be receiving from helping agencies.
- A large envelope to store receipts received from paying expenses related to disaster recovery efforts to be used for reimbursement or tax purposes.

This toolkit was developed by the University of Minnesota Extension and North Dakota State University Extension Service to meet the need for family financial recovery after a disaster. The impetus for this toolkit was the occurrence of two disasters that affected Minnesota and North Dakota – the 2007 flood in Rushford, MN and the 2009 Red River Valley flood affecting both MN and ND. The development of this toolkit was partially funded by a 2009 Smith-Lever Special Needs Grant, through NIFA's Family Financial Recovery Program.

For more information about this toolkit or any of the related resources, contact the lead author, Phyllis Onstad (onsta003@umn.edu; 888-241-4536). This toolkit and related resources can also be found at <http://www.extension.umn.edu/disasterresponse/>.

This toolkit is a joint project between the University of Minnesota Extension, North Dakota State University Extension Service, and Lutheran Social Service of Minnesota. It was developed by:

- Phyllis Onstad – Extension Educator, Family Resource Management, University of Minnesota Extension
- Sara Croymans – Extension Educator, Family Resource Management, University of Minnesota Extension
- Trish Olson – Program Leader, Family Resource Management and Family Relations, University of Minnesota Extension
- Lori Scharmer – Extension Agent, Family Economics, North Dakota State University Extension Service
- Nancy Beers – Director of Camp Noah and Disaster Services, Lutheran Social Services of Minnesota
- Cindy Johnson – Director of Volunteer Development, Center for Changing Lives, Lutheran Social Services of Minnesota

© 2010, Regents of the University of Minnesota. Revised October 13, 2010. All rights reserved. Send copyright permission inquiries to:

Copyright Coordinator
University of Minnesota Extension
405 Coffey Hall
1420 Eckles Avenue
St. Paul, MN 55108-6068
Email: extcopy@umn.edu
Fax: 612-625-3967.

This material is available in alternative formats upon request. Direct requests to 612-626-6602.

University of Minnesota Extension shall provide equal access to and opportunity in its programs, facilities, and employment without regard to race, color, creed, religion, national origin, gender, age, marital status, disability, public assistance status, veteran status, sexual orientation, gender identity, or gender expression.