

How to prepare for a strike

Creditor contact information

Bills – Contact your creditors before payment is delinquent. Your creditors are probably unaware that you are involved in a labor dispute and have no way of knowing why you cannot make payments unless you tell them. Explain that you are involved in a labor dispute, which will be resolved and ask for some temporary arrangement on your payments until you are back to work.

Generally, creditors would strongly prefer to avoid repossessions or other legal actions and will cooperate, especially if you have had a good record in the past. Be sure to get the name of the person you talk to and make note of the date of the conversation. If you write letters to creditors, keep a copy for yourself.

Home Mortgages – There are HUD-approved relief provisions for FHA mortgages. For a short period of time, the lender can agree to accept reduced payments or to suspend payments (informal forbearance). A special forbearance will amend the mortgage in writing to reduce or suspend payments up to 18 months. Similar provisions are available for VA loans. Both HUD and VA regional offices will accept complaints about lenders who refuse to provide appropriate relief and to assist consumers. In the case of conventional mortgages, explain your situation to your mortgager before payment is due.

Renters – Contact your landlord before rent is overdue. Try to reduce or defer rent temporarily until you are back to work. Contact the Community Services Representative/Director of your Central Labor Council if you need assistance.

Utilities – Do not wait for a second notice. Go to the utility credit department when or before you receive the first notice and explain your situation. You can also pay part of the bill, spreading payments out over several months. For PG&G bills in particular, it is against California law to turn off the heat in a home where a child under one year of age lives.

Automobile Payments – Auto loans cannot be deferred. If you cannot make the whole payment, you can discuss with your loan officer refinancing to reduce the size of the payments.

Installment Loans – Go to the credit department of the business involved before payment is due. Some department stores do not have a minimum payment and specific due date indicated on the bill. Such accounts can be paid a month late with only the minimum interest charge added the following month. If you are not sure what kind of account you have, contact the creditor and ask what minimum payment could be made to keep your account current.

Using Credit – While indiscriminate use of credit cards is not recommended, your Mastercard or Visa will buy some time while you are in a labor dispute. They can be used for many goods and services and some carry a credit line to be borrowed against. Remember, however, that after the dispute is over, you will have to pay for the credit at the current annual interest rate.

Consider the idea that non-exempt resources which put you over the limit for food stamps, such as a camper, airplane, second car, motorcycle, etc, could be used as collateral for a small loan to tide you over during the strike.