

RECONNECT CORNER

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PROGRAM LINKS

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How to Handle a Potential Eviction

As of March 29, 2021, the CDC has extended the eviction moratorium to June 30, 2021. If you or someone you know is at risk of eviction, there are important steps you should take to prepare yourself for the process and minimize the financial and personal stress that comes with eviction.



DON'T PANIC. Eviction is not an immediate process and you often have at least a few weeks to prepare for, or fight, the eviction. Reach out to your landlord and check to see if there is any option for a payment plan or other non-legal route to avoid the eviction.



DOWNLOAD AND FILL OUT THE EVICTION PROTECTION DECLARATION FORM (CDC.GOV). Turn the document into your landlord or leasing company. If you have any issues you can contact the Department of Housing and Urban Development at **800-669-9777**. You can also be directed to a local HUD-approved housing counselor by calling **800-569-4287** for more support.



CHECK LOCAL AND STATE LAWS. If you feel that you are being wrongfully evicted, make sure that you have access to the relevant laws so you can refer to them in court or with an attorney. Some county/state courthouses will have materials on hand that break down your local laws. They can usually be found online or with a clerk in the courthouse. These materials may also be offered by a local housing authority or charitable organization.



CONNECT WITH YOUR LOCAL HOUSING AUTHORITY. A housing authority is an organization that helps residents locate affordable housing and relevant local resources (including funds and counseling). The support

offered by a local housing authority varies based on your location and situation. To connect with a local housing authority, you can [use this link](#) to sort through local offices by state.



EVALUATE YOUR OPTIONS. Before deciding your next steps, ask yourself the following questions:

Is the eviction due to a temporary setback?

If something has interrupted your income stream, but it was only a temporary issue, there are programs that may provide direct renter's assistance to cover some of your owed amount.

Is the eviction due to job loss or a perpetual issue like a medical problem?

In these situations, using a local housing authority or a housing counselor can help you find more affordable housing that is in line with your new budget. Furthermore, working with a counselor can help you establish the necessary emergency funds and financial planning to avoid unforeseen financial trouble in the future.

Is the eviction due to an issue with your landlord or rental?

If your landlord refuses to accept payment, or in some areas even a partial payment, they can be in violation of local laws protecting tenants. If your rental needs critical services like running water or heating repaired, your landlord may also be in violation of local or state laws. Use your local resources like legal aid clinics or the housing authority to identify any legal options for contesting the eviction.

Once the court has issued an order regarding your eviction, make sure to follow it closely. If you lose in court you may have to move out right away, but many local courts offer a grace period. If you stay beyond the grace period, your landlord can escalate the issue to involve local police.

If you plan on fighting the eviction, make sure to have a backup plan in case you lose. The housing authority can assist with locating temporary or alternative housing. If you need time to set up a long-term rental, make sure to coordinate with a local storage company to ensure that your belongings are safe. This is one of the most affordable ways to protect your valuables.

To talk through your situation and options with a certified housing counselor, visit us online at moneymanagement.org or call 866-889-9347 to schedule a counseling session today.

The Case for Buying Better Boots

When was the last time you had to upgrade something because it was not working as well as when you first bought it? For many Americans, this is a common occurrence and is the result of what market experts call the "Upgrade Cycle." This cycle of continuous purchasing usually leads to the conclusion that cheaper items are the better buy given that they need to be replaced regardless.



"The reason that the rich were so rich... was because they managed to spend less money."

However, in his 1993 novel *Men at Arms*, English Fantasy Author Terry Pratchett memorably argued that the opposite is true. Pratchett's character, Sam Vimes, states "The reason that the rich were so rich... was because they managed to spend less money."

Vimes uses boots as an example. "But the thing was that good boots lasted for years and years. A man who could afford fifty dollars had a pair of boots that'd still be keeping his feet dry in ten years' time, while the poor man who could only afford cheap boots would have spent a hundred dollars on boots in the same time and would still have wet feet."

In other words, if you can afford to invest in quality, you'll be better off in the long run.

You may consider applying this concept to future purchases. For example, when upgrading a phone, maybe invest in additional storage space so the phone can live longer than the two years it takes for the wireless company to set up a new contract. When evaluating appliances or household items, check the difference in quality against the projected lifespan of an option.

Whether it's a washing machine or a pair of boots, a few more dollars up front may buy a product that saves you hundreds of dollars in the long run, and frees you up to put money into savings or retirement funds.

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The articles in this newsletter are provided for informational purposes only and are not intended as credit repair or tax advice.

Make Your Money Work for You

April is Military Saves Month. Check out militarysaves.org and look at the different activities and resources they have planned! Saving early and often can pay massive dividends in the future (literally in the case of the stock market).

While you continue to build up your savings, it's also important to consider how you are allocating those funds. First and foremost, an emergency savings fund is essential. It's a good idea to have between three and six months of income on hand in case of an emergency. Once you have that fund set aside, you can make your money work for you by investing in your future. The concept is relatively straightforward. There are a variety of accounts that can help your money grow over time and protect it from taxes.

One of the often overlooked costs associated with retirement is paying taxes on the growth in your savings over time. This is why tax advantaged accounts are so important. There are three account types that you should keep in mind.

401(K)

These retirement accounts are provided by your employer as part of a benefits package. They allow you to contribute funds directly to your retirement fund without having to pay taxes on the money as you earn it. This prevents "double-taxation" from occurring. Your employer may also match your contributions to this fund, this increasing your overall savings faster.

The main drawback of a 401k is that the money is not easily available to you. If you need to withdraw it before retirement, fees may be assessed. For example, you may choose to use your 401K account to help with a down payment for a home but the money either needs to be paid back or it may be taxed as income.

IRAS AND ROTH IRAS

These accounts allow you to put money into an investment account that grows over time. Contributions to these accounts are capped, although you can have several of each type and the money invested must be from your earnings.

With a traditional IRA you can contribute money pre-tax or after tax and the taxes on your earnings are deferred until you retire. Roth IRAs require that money be taxed as it's deposited, but then those funds grow tax-free until retirement.

Both accounts allow you to withdraw funds after age 59 ½. If you will be making more in retirement than you currently are now, then paying the taxes early can make a Roth IRA a better investment. If you are not planning on having a retirement income, a traditional IRA will lead to lower taxes in the long run.

These are just three of the traditional products that may be available to help with saving for retirement. Take some time to research others or talk to a financial counselor to learn more about your options for savings.

**April 1-30, 2021**

Getting Started is Easy! Participate in a way that makes the most sense for your organization. Join us for one week out of the Month, or all 5 weeks. We'll be here every step of the way.