

## I'm in a deep financial hole. How do I get out?

### Dear Penny

*Dear Penny We are currently behind on all of our bills after some life events put us in a \$2,000 hole. We cannot get caught up.*

*We have three little kids, and I cannot get approved for any loans or credit cards due to my credit.*

*We are one and a half months behind on rent. The next month's rent is coming up, and I have no money. My car payment, the electric bill and our cell phones are a month behind. The brakes are shot on my car.*

*I'm really at a loss, and I'm having horrible anxiety over it. I don't know what to do.*

-L.

Dear L., You're probably spending every waking millisecond wondering if this will be the day that the repo man shows up, the eviction notice arrives or the power is disconnected. To say that it's an anxiety-inducing way to live is a gross understatement.

And often when something is the source of great anxiety, it's tempting to avoid it. You just want to get through another day and asking for help is daunting. But you've got to.

A good place to start is the United Way-run 211 helpline, which is available to about 90 percent of the U.S. population. You dial 211, and you'll be routed to a regional calling center that can give you information about rent and utility assistance and guide you through the labyrinth of social services you may qualify for. They can also direct you to local food banks that could help you save money on necessities and free up some cash for bills.

Another good thing about starting with 211 is that it's a lot less intimidating to talk about your finances with someone you don't owe money to, which brings me to the next thing I'm going to ask you to do.

You need to call everyone you owe and be brutally honest about your situation. Keeping your family sheltered is the No. 1 priority, so start with your landlord.

to work with you.

As for your car loan, some lenders may be willing to work out a forbearance plan, where you get a break of about a month or two on payments, but you'll still have to make them up. They'll consider your payment history, along with the reason for your request and how likely you are to actually get caught up.

Your utility company may have options for you as well, such as putting you on a payment plan or referring you to your local Low **Income** Home Energy Assistance Program that can help with your bills.

Even if you're not able to work out a payment plan for your past-due bills, talking to your landlord and creditors can mitigate the damage. For example, if you still can't afford your rent, you and your landlord might be able to agree on a move-out date so you can avoid an eviction on your credit report.

Of course, if you have any way to earn extra money by doing odd jobs, working extra shifts or selling valuables, now is the time to do it.

You can also go to [benefit.gov](https://www.benefit.gov) to learn about what government programs you may qualify for, but keep in mind that your application could take several weeks to process and even longer to get benefits.

Ultimately, you need to prepare yourself for the worst-case scenario. Maybe that means temporarily moving in with family or into a shelter, or surrendering your car and relying on public transportation.

But until you ask for help, you won't know what resources are available. While there's no easy fix for this situation, you do have options - but the longer you wait, the fewer you'll have.

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You don't say whether you're employed or have other sources of **income**. If you do, you'll be in a better position to negotiate a plan to get caught up. For example, you might be able to work out a plan in which you pay by the week and tack on a small part of your past-due rent to your weekly payments.

If you had a good track record of making on-time payments and are able to show that your current circumstances are the result of a one-time emergency, they'll be even more willing