

# “THE LEGAL BRIEF”

*Advice to the Guardians of the Great Lakes*



Ninth District Legal Office  
1240 East Ninth Street  
Cleveland, Ohio 44199-2060  
Phone: (216) 902-6010  
Fax: (216) 902-6055



May 2008 - HOME BUYING AND SELLING - A TIME FOR CAUTION

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## SPECIAL EDITION

This edition of The Legal Brief was jointly prepared by the Ninth District Legal Office and Integrated Support Command Cleveland to assist members who are transferring and are faced with home buying or selling decisions. Because of the importance of this issue, we have gone beyond our normal one page "brief."

### Prospective Home Buyers

The recent price deflation experienced in many housing markets has led to record delinquency rates and foreclosures around the country – Ninth District included. If you are transferring into the Ninth District this summer, think twice before buying a home. A number of Ninth District personnel now trying to sell face serious losses. Pundits say this creates a great buying opportunity, and they may be right – but they may be wrong too.

What it all boils down to is risk. There's no guarantee that things will be any better in a few years. There's also no guarantee that you'll be able to rent your home if you can't sell, as several Ninth District homeowners are finding out the hard way. What's the solution? **Consider whether the benefits of renting outweigh the benefits of homeownership – at least until the dust settles.**

### Prospective Home Sellers

If you experience trouble selling your home this summer, consider the following tips from the Better Business Bureau. Before trying any of these, feel free to give D9 Legal Assistance a call:

- If you are transferring and can't sell, think about renting the home – D9 Legal Assistance can help prepare and review a lease for you.
- Try to free up funds by lifestyle adjustments – this might include car pooling, selling the second car (or motorcycle), or brown bagging lunch. Dollars saved add up.
- Try to renegotiate credit card or other debt not secured by your home.
- Consider contacting your mortgage lender before you miss a payment. Most lenders prefer to avoid foreclosure. Don't ignore phone calls or letters from your lender. If they are abusive, contact D9 Legal Assistance.
- If you have already missed a payment, contact your lender and see if they are open to negotiation. Most offer a phone number for homeowners with payment problems – often listed as the Loss Mitigation or the Collection Department. Staff members within these departments can advise borrowers of the options or "workouts" available to someone in their situation.
  - Ask about "forbearance" agreements. This is a temporary reduction in monthly payments to allow homeowners to get back on their feet.
  - Ask about "short" sales. This allows homeowners to settle with the lender in situations where the home can only be sold for less than the balance owed on the mortgage. Note - the amount of debt "forgiven" by the lender can be treated as taxable income by the IRS, if the lender reports it to the IRS. Clarify this with the lender.
  - There are also special programs for homeowners who have VA or FHA insured mortgages – contact the appropriate agency and see if you qualify.

**Legal Assistance** - For those faced with selling their homes at a loss, and for those having trouble making monthly mortgage payments, be sure to consider all of your options before acting. To ensure you are aware of all your options, contact a Legal Assistance Attorney to discuss the legal options available to you. What you share with a Legal Assistance Attorney about your personal situation is confidential.

**Area Housing Office Assistance** – If you're within the Ninth District AOR and are interested in renting your home, the Area Housing Officer (AHO) can advertise your home to members transferring into the Ninth District. If you're transferring into the Ninth District AOR, you can contact the AHO to learn more about Coast Guard owned or leased houses in the area or search homes for rent by coast guardsmen. If you are having trouble finding a place to rent within your BAH, you may qualify for a government lease. The Area Housing Officer is Dave Bolanz and can be reached at (216) 902-6291 or via e-mail: [david.n.bolanz@uscg.mil](mailto:david.n.bolanz@uscg.mil)

**Professional Advice and Counseling** – If the lender is uncooperative, look for a non-profit credit counseling agency that offers housing counseling at no cost. Coast Guard Mutual Assistance (CGMA) offers professional debt counseling services through a non-profit organization called Consumer Credit Counseling Services (CCCS). In many cases, CCCS can help you manage debts involving multiple creditors and set up a manageable payment plan. For CGMA locations within D9 (and elsewhere) check out - [www.cgmahq.org/](http://www.cgmahq.org/). For info on CCCS, try [www.nfcc.org/](http://www.nfcc.org/) and [www.debtadvice.org/](http://www.debtadvice.org/). But before you contact CCCS – FIRST CONTACT CGMA!! Why? Because CGMA pays the fees!! Other resources include the Integrated Support Center Cleveland Employee Assistance Program Coordinator (EAPC) which can provide you with confidential personal financial counseling. The Employee Assistance Program (EAP) also offers general financial counseling. You can reach an EAP counselor at 1(800) 222-0364 or learn more about it on the internet at <http://www.foh4you.com> (you can access the Coast Guard provider by clicking “enter member website”). For those near Great Lakes Naval Training Center, personal financial counseling is available at (847) 688-3603 x208.

For help in finding a trustworthy credit counseling agency, contact the Better Business Bureau ([www.bbb.org](http://www.bbb.org)). Check the agency's record with the BBB, and find out if it is a member of the National Foundation for Credit Counseling ([www.nfcc.org](http://www.nfcc.org)) or the Association of Independent Consumer Credit Counseling Agencies ([www.aiccca.org](http://www.aiccca.org)). Agencies that are members of these organizations must adhere to strict standards of professionalism and accreditation and use only certified credit counselors.

**Avoid Foreclosure "Rescue" Scams** - Watch out for foreclosure scams. Scam artists bombard at-risk homeowners with "rescue" offers that involve deeding the property over to a third party. Beware of anyone who instructs you to NOT contact your mortgage company or an attorney. Do NOT sign a contract if you have not read it or don't understand it. Never sign away any right to your property without legal counsel.

**Conclusion** - These are tough financial times, especially for those trying to sell a home. If you are running into trouble, seek help. If you are thinking of buying a home – think twice. Don't be afraid to use the many resources that are available to assist you. Contact Dolores Cherry, Employee Assistance Program Coordinator (EAPC), at (216) 902-6356 for questions about EAP, Consumer Credit Counseling services or for help developing a budget. Contact Steve Lynch, at (216) 902-6042, [stephen.t.lynch@uscg.mil](mailto:stephen.t.lynch@uscg.mil), for legal assistance.

# PERSONAL FINANCIAL MANAGEMENT CONCERNS & FINANCIAL ASSISTANCE/COUNSELING OPTIONS

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COMDTNOTE 1754

SUBJ: PERSONAL FINANCIAL MANAGEMENT CONCERNS AND FINANCIAL  
ASSISTANCE/COUNSELING OPTIONS

A. CG EMPLOYEE ASSISTANCE PROGRAM, COMDTINST 1740.7 (SERIES)

B. CAREER DEVELOPMENT ADVISOR (CDA) PROGRAM, COMDTINST 1040.4  
(SERIES)

C. LEGAL ASSISTANCE PROGRAM, COMDTINST 5801.4 (SERIES)

D. PERSONNEL MANUAL, COMDTINST M1000.6 (SERIES)

1. DURING THIS ECONOMIC PERIOD WHERE WE ARE EXPERIENCING A SLUGGISH HOUSING MARKET AND RISING PRICES FOR FUEL, FOOD AND OTHER NECESSITIES, THERE IS GROWING CONCERN THROUGHOUT OUR WORKFORCE ABOUT FINANCIAL SOLVENCY. AS WE APPROACH ANOTHER TRANSFER SEASON, THERE HAS BEEN PARTICULAR CONCERN EXPRESSED WITH RESPECT TO THE HOUSING MARKET. SPECIFICALLY, MEMBERS ARE CONCERNED THAT THEY MAY ENCOUNTER DIFFICULTY IN SELLING THEIR HOME AT A DECENT VALUE. THESE PRESSURES MAY PUT ADDITIONAL STRESS ON OUR WORKFORCE AND HAVE THE POTENTIAL TO IMPACT OUR WORKFORCE READINESS. TO ASSIST CG MEMBERS IN DEALING WITH THESE ISSUES DURING THIS DIFFICULT TIME, WE HAVE MADE A NUMBER OF RESOURCES AND TOOLS AVAILABLE.

2. I ENCOURAGE YOU TO REVIEW THE INFORMATION BELOW AS WELL AS SHARE THIS INFORMATION WITH YOUR SPOUSE AND FAMILY TO ARRIVE AT FINANCIAL DECISIONS AND REMEDIES THAT WILL BEST MEET YOUR NEEDS AND CONCERNS.

3. VARIOUS FINANCIAL MANAGEMENT RESOURCES AND TOOLS ARE AVAILABLE AT THE **WORK-LIFE** WEB SITE AT [HTTP://WWW.USCG.MIL/WORKLIFE](http://www.uscg.mil/worklife). ONCE THERE, CLICK ON THE "FINANCIAL MANAGEMENT" ICON. SCROLL DOWN TO THE "RELATED WEB SITES" SECTION, AND SELECT THE VARIOUS SOURCES OF FINANCIAL MANAGEMENT INFORMATION. OF PARTICULAR INTEREST FOR JUNIOR MEMBERS IS THE "360 DEGREES OF FINANCIAL LITERACY" WEB SITE OFFERED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, WHICH CAN HELP PROVIDE UNDERSTANDING OF BUDGETING, SAVING AND INVESTING AS A FIRST STEP TOWARD FINANCIAL FREEDOM.

4. THROUGH THE COAST GUARDS EXISTING **EMPLOYEE ASSISTANCE PROGRAM** (EAP) CONTRACT, FINANCIAL ASSISTANCE COUNSELING CAN BE OBTAINED BY CALLING THE EAP HOT LINE AT 1-800-222-0364. WHEN YOU PLACE THIS CONFIDENTIAL CALL, YOU CAN DISCUSS YOUR FINANCIAL CONCERNS AND ASK ABOUT RECEIVING FINANCIAL COUNSELING BY TELEPHONE. TO OBTAIN INFORMATION REGARDING EAP RESOURCES, CONTACT YOUR REGIONAL WORK-LIFE OFFICE, OR CALL THE TOLL-FREE NUMBER AT 1-800-872-4957. AN

EXPLANATION OF THE EAP PROGRAM IS CONTAINED IN REF A.

5. YOU CAN ALSO OBTAIN FINANCIAL ASSISTANCE BY CONTACTING YOUR **CAREER DEVELOPMENT ADVISORS**. CDAS ASSIST PERSONNEL IN MAXIMIZING THEIR CAREER POTENTIAL BY DEVELOPING, COORDINATING, AND IMPLEMENTING A CAREER DEVELOPMENT PROGRAM. THEY ARE KNOWLEDGEABLE IN GOAL SETTING, MENTORING, VOLUNTARY EDUCATION, ACTIVE DUTY TO RESERVE TRANSITION, PROFESSIONAL DEVELOPMENT, AND FINANCIAL MANAGEMENT. DETAILS ABOUT CDAS AND THEIR LOCATIONS CAN BE FOUND IN REF B.

6. AS PROVIDED IN REF C, SERVICE MEMBERS MAY ALSO CONSULT COAST GUARD **LEGAL ASSISTANCE ATTORNEYS** FOR HELP IN ADDRESSING ISSUES RELATING TO FINANCIAL AND CONSUMER MATTERS. IF NEEDED, THEY CAN OFFER OPTIONS AND EXPLORE POTENTIAL REMEDIES UNDER STATE AND FEDERAL LAW, PARTICULARLY THE SERVICE MEMBERS CIVIL RELIEF ACT. TO FIND A LEGAL ASSISTANCE ATTORNEY, GO TO:

[HTTP://LEGALASSISTANCE.LAW.AF.MIL](http://LEGALASSISTANCE.LAW.AF.MIL) AND SELECT THE "LOCATE LEGAL SERVICES" ICON.

7. **MILITARY SAVES** IS A YEAR-ROUND "FINANCIAL READINESS" CAMPAIGN DEVELOPED BETWEEN DOD AND THE CONSUMER FEDERATION OF AMERICA (CFA). THE CAMPAIGN OBJECTIVE IS TO INVOLVE ALL LEVELS OF LEADERSHIP IN AN INTENTIONAL, SUSTAINED EFFORT TO CREATE A CULTURE THAT ENCOURAGES MEMBERS TO REDUCE DEBT, DEVELOP A FINANCIAL PLAN, AND SAVE MONEY FOR THE FUTURE. CHANGING FINANCIAL HABITS IS A FORMIDABLE TASK, THAT REQUIRES EACH OF US TO TAKE PERSONAL RESPONSIBILITY AND IDEALLY, TO ADOPT A "MILITARY SAVER" LIFESTYLE. THE COAST GUARD WANTS YOU TO BENEFIT FROM THE MILITARY SERVICES PARTNERSHIP WITH CFA, AND ENCOURAGES YOU TO USE THE FINANCIAL MANAGEMENT RESOURCES AVAILABLE TO ASSIST IN ENHANCING YOUR FINANCIAL READINESS. TO ACCESS MILITARY SAVES FINANCIAL MANAGEMENT RESOURCES, GO TO: [HTTP://WWW.MILITARYSAVES.ORG](http://WWW.MILITARYSAVES.ORG). UPON ENTERING THIS SITE, CLICK THE VARIOUS ICONS TO LEARN HOW TO GET OUT OF DEBT, HOW TO SAVE ON AUTO PURCHASES, SAVE FOR EMERGENCIES, SAVE FOR A HOME, AND SAVE AT WORK, AND LEARN ABOUT SAVINGS AND INVESTMENTS. YOU CAN ALSO TAKE THE "SAVER PLEDGE", AND RECEIVE THE MILITARY SAVER E-NEWSLETTER AND OTHER PERIODIC COMMUNICATIONS. THIS IS A FREE SERVICE, AND AT NO TIME WILL MILITARY SAVES ATTEMPT TO SELL YOU ANYTHING. YOU SHOULD NOTE THAT THE USE OF "MY PAY" IS LIMITED TO DOD PERSONNEL. HOWEVER, YOUR SERVICING PERSONNEL OFFICE CAN ASSIST YOU WITH MAKING CHANGES TO YOUR ALLOTMENTS, SAVINGS BONDS, AND THRIFT SAVINGS PLAN ALLOCATIONS AS NEEDED.

8. PART OF BEING ABLE TO MEET MISSION DEMANDS IS ENSURING WE ARE PREPARED ON THE HOME FRONT - READINESS BEGINS AT HOME. FINANCIAL SOLVENCY IS A KEY ELEMENT TO ENSURING THAT READINESS. IF YOU ARE IN NEED OF ASSISTANCE, YOU SHOULD REACH OUT FOR HELP BEFORE THE BURDEN GETS TOO GREAT, BECAUSE ONLY YOU KNOW WHERE YOU STAND FINANCIALLY. IN ACCORDANCE WITH REF D, MEMBERS WHO FAIL TO MEET THEIR FINANCIAL OBLIGATIONS BRING DISCREDIT UPON THE SERVICE, BURDEN THE COMMAND ADMINISTRATIVELY, MAY BECOME SUBJECT TO DISCIPLINARY ACTION, AND JEOPARDIZE THEIR ELIGIBILITY FOR A SECURITY CLEARANCE, SCHOOLS, ASSIGNMENTS AND COMMAND. FINANCIAL DISTRESS CAN ALSO DISTRACT

CIVILIAN EMPLOYEES FROM THEIR WORK AND PUT AT RISK THEIR SECURITY CLEARANCES. IT IS THEREFORE CRITICAL THAT YOU ARE PROACTIVE AND TAKE STEPS TO ENSURE YOUR FINANCIAL READINESS. I ENCOURAGE ALL MEMBERS OF TEAM COAST GUARD TO TAKE ADVANTAGE OF THESE RESOURCES TO HELP MANAGE THEIR FINANCIAL MATTERS. IN ADDITION, I CHALLENGE SUPERVISORS TO OFFER ASSISTANCE TO AND MENTOR JUNIOR MEMBERS TO HELP THEM ESTABLISH POSITIVE FINANCIAL MANAGEMENT PRACTICES.

9. COMMANDING OFFICERS AND OFFICERS-IN-CHARGE SHOULD ENSURE THAT THIS INFORMATION IS MADE AVAILABLE TO ALL PERSONNEL AND THEIR FAMILIES. BY STRESSING THE IMPORTANCE OF MAINTAINING FINANCIAL READINESS TO UNIT PERSONNEL, AND USING UNIT LEADERS TO ESTABLISH A SUPPORTIVE CULTURE, YOU CAN HELP MINIMIZE THE STRESS ASSOCIATED WITH FINANCIAL PROBLEMS EXPERIENCED BY CG PERSONNEL.

10. QUESTIONS MAY BE DIRECTED TO MR. JOHN REIBLING AT 202-475-5161, E-MAIL: JOHN.S.REIBLING(AT)USCG.MIL, OR MR. BOB SKEWES AT 202-475-5140, E-MAIL: ROBERT.L.SKEWES(AT)USCG.MIL.

11. INTERNET RELEASE AUTHORIZED.

12. RADM CLIFFORD L. PEARSON, ASSISTANT COMMANDANT FOR HUMAN RESOURCES, SENDS.

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# PERSONAL FINANCIAL WELL-BEING

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SUBJ: PERSONAL FINANCIAL WELL-BEING

A. COMDT COGARD WASHINGTON DC 272319Z FEB 08 (ALCOAST 104/08)

1. THE COAST GUARD IS STRONGLY COMMITTED TO PROMOTING SOUND FINANCIAL MANAGEMENT. POOR FINANCIAL MANAGEMENT AFFECTS MISSION READINESS AND JEOPARDIZES THE FINANCIAL WELL-BEING OF OUR COAST GUARD ACTIVE DUTY, RESERVES, CIVILIANS, AND THEIR FAMILIES. ALL MEMBERS OF THE COAST GUARD, WITHIN EVERY LEADERSHIP LEVEL, MUST SET AN ENVIRONMENT THAT ENCOURAGES MEMBERS TO DISCLOSE FINANCIAL ISSUES TO THEIR CHAIN OF COMMAND FOR DISCUSSION OR REFERRAL TO AN APPROPRIATE RESOURCE FOR ASSISTANCE. THERE ARE A LOT OF PEOPLE AND PROGRAMS TO ASSIST THOSE WHO ARE STRUGGLING.

2. EDUCATING OUR COAST GUARD TEAM ON HOW TO REDUCE DEBT, USE RESOURCES WISELY, MAINTAIN PERSONAL READINESS AND FAMILY FINANCIAL SECURITY IS THE FIRST STEP TOWARD MAKING OUR MEMBERS AND THEIR FAMILIES FINANCIALLY SECURE. COAST GUARD LEADERS CAN SET THE EXAMPLE BY PROMOTING ENROLLMENT IN SAVINGS PROGRAMS SUCH AS THRIFT SAVING PLAN OR SAVINGS BONDS OR BY ESTABLISHING A SAVINGS ACCOUNT TO DISCOURAGE HIGH COST, SHORT TERM BORROWING AND TO PROMOTE FAMILY FINANCIAL SECURITY. UNIT COMMANDERS SHOULD EMBRACE SAVINGS PROGRAMS MAKING THEM THEIR PERSONAL CONCERN THUS MAKING FINANCIAL READINESS EVERYONE'S GOAL. A SOUND SAVINGS INITIATIVE IS CRITICAL TO MAKING OUR MEMBERS FINANCIALLY SECURE.

3. LOCAL BANKS AND CREDIT UNIONS OFFER A WIDE VARIETY OF PRODUCTS AND SERVICES TO ASSIST OUR MEMBERS. THEY INCLUDE DEBT REDUCTION PLANS, PAYDAY LOAN ALTERNATIVES, FINANCIAL EDUCATION, AND COUNSELING THAT IS DESIGNED TO CHANGE BEHAVIOR. BY EDUCATING SERVICE MEMBERS, CIVILIANS, AND THEIR FAMILIES TO LEARN HOW TO BUILD WEALTH AND NOT DEBT, THEY WILL GET INTO THE HABIT OF PAYING THEMSELVES FIRST. FINANCIAL EDUCATION PROGRAMS INCREASE PROTECTION AGAINST PREDATORY LENDING PRACTICES, BUILD EMERGENCY SAVINGS FUNDS, PROMOTE FUTURE WEALTH AND HELP ENSURE MISSION READINESS.

4. FOR MORE ASSISTANCE PLEASE SEE THE FOLLOWING CG, CG WORKLIFE, AND DOD LINKS:

<http://cgweb.lant.uscg.mil/PDiv/pd/fin/intro.asp>

<<http://cgweb.lant.uscg.mil/PDiv/pd/fin/intro.asp>>

<http://www.uscg.mil/hq/g-w/g-wk/wkw/index.htm> <<http://www.uscg.mil/hq/g-w/g-wk/wkw/index.htm>> (CLICK ON

EAP/FINANCIAL MANAGEMENT)

<http://www.ffscnorva.navy.mil/PFM-resource.html>

<<http://www.ffscnorva.navy.mil/PFM-resource.html>>

<http://www.militarysaves.org/> <<http://www.militarysaves.org/>>

<http://www.afcrossroads.com/financial/main.cfm>

<<http://www.afcrossroads.com/financial/main.cfm>>

<http://www.myarmylifetoo.com/skins/malt/display.aspx>

<<http://www.myarmylifetoo.com/skins/malt/display.aspx>> (CLICK ON  
MONEY MATTERS)

5. OUR COAST GUARD TEAM AND THEIR FAMILIES DESERVE YOUR SUPPORT IN  
CREATING A CULTURE THAT PROMOTES SAVINGS AND FINANCIAL WELL-BEING.

6. RDML S. H. RATTI, ATLANTIC AREA CHIEF OF STAFF, SENDS.

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