

HELP WITH THE *Unexpected*

Seeking Help

What happens if you get a utility bill so high you know you can't pay it? First of all, don't panic.

Make sure that the bill is correct. To do this, compare it to a similar month from the previous year. If the difference is large, make sure the bill is accurate for the amount of energy you use.

Check the rate, or cost of the fuel or electricity to make sure there is no error. Call your utility provider if there is any question. If the bill is correct, there are still things you can do to pay it.



For many working families, senior citizens, or disabled Americans, it's getting harder to pay utility bills. Extreme weather, along with rising fuel prices, continue to increase energy costs that consumers pay. A temporary job loss, or poor health, also put a strain on a household's budget.

There are, however, a number of ways to get help if you find your income simply is not sufficient to pay your bills.

Tap Short-Term Savings. Consider tapping into your short-term savings to cover the higher bill. This should be a temporary answer, though,

Your Responsibilities

If you and your utility company agree to a payment plan, you need to keep to your agreement. Not paying as agreed can result in the utility company disconnecting your service. If you agree to a payment and your circumstances change, such as losing income through a lost job or reduced hours, contact the utility immediately. You may have the right to renegotiate your payment based on your new circumstances.



until you can predict your utility bills with more confidence.

Work With The Utility. If you still can't pay the bill, notify your utility as soon as you can. Try to pay as much as you had budgeted for the month. If that is too difficult, pay what

you can while still meeting your other basic needs. The key is to avoid a shut-off of services and the resulting consequences.

Find out from your utility company what payment plans they offer. Some utility companies offer customers who qualify a matching

LIHEAP is not welfare. It is for working Americans and their families, senior citizens, and the disabled who have trouble paying high utility bills. LIHEAP funds may be distributed along with other funds from charities or private organizations.

In many ways, it's like Social Security or unemployment benefits. Sometimes you pay in and sometimes you get benefits paid out when you need them. That's what LIHEAP does. It gives folks a hand when times get tough and utility bills strain a budget. Some of the taxes you paid in the past were used to help others. There is nothing wrong with asking for help if you need it.



payment program. This payment plan matches the amount you pay with an amount from an energy assistance program.

It may not be too late to ask for a level payment plan. This will spread your total annual bill in equal monthly payments over 12 months.

Don't agree to a payment plan you cannot afford. If the utility doesn't offer you a plan you can afford, contact your state's public utility commission or consumer affairs office rather than agreeing to it. Make sure your utility company gives you its reasons in writing

for not agreeing to a payment plan. If for some reason you can't communicate directly with a utility company, sign up for third-party notification. This will alert someone not living with you in case you have a past-due or shut-off notice.

If you believe you cannot pay your bill, it is important to contact your utility before the due date on the bill. Some opportunities for help, such as entering a level budget billing plan, may no longer be available once your bill becomes past due. In addition, contacting your

utility early may help you avoid late fees that make your bill even higher.

Emergency Repairs and Improvements.

When you call, your utility company may ask you questions about how your home is insulated and how it is heated or cooled. If you qualify, you may receive assistance for home improvements to make your house more energy efficient. This includes repairing or replacing an old heating or cooling system, making emergency repairs, and weatherproofing your home.

LIHEAP

LIHEAP stands for the Low-Income Home Energy Assistance Program. Each year, the federal government provides LIHEAP funds to states to help Americans with their home energy bills. Each state distributes these funds to citizens who are in need of this assistance. They may distribute LIHEAP funds through state human services agencies, or as in most cases, contract with community action agencies or partnerships, or other agencies. LIHEAP may be provided along with a range of other social services. LIHEAP assistance is not designed to pay the entire utility bill.

The federal government also provides LIHEAP to Tribes for Tribal members. Refer

to the National Energy Assistance Referral (NEAR) project (*see chapter Summary and Resources*) for a listing of the LIHEAP assistance agency near you.

How LIHEAP Works

Every state is different in determining who qualifies for LIHEAP assistance and for how much. In most cases, no shut-off notice is needed before assistance is granted. If you qualify for LIHEAP, you may receive a notice along with your utility bill urging you to apply. In most states, you automatically qualify for LIHEAP if you qualify for other assistance, such as Temporary Assistance for Needy Families, or Aid to Families with Dependent Children. Your local utility company may well be able to help you apply for LIHEAP benefits. If approved, your LIHEAP funds will typically be paid directly to your utility company. Homes that use wood, propane, or heating oil for their heating source instead of natural gas or electricity also qualify for LIHEAP assistance.

How to Apply for LIHEAP

You will need to fill out a form before you qualify for LIHEAP assistance. Along with the form, you will also need to provide the latest copy of your utility bill. Your county assistance

agency or local community action agency can help you determine your eligibility to receive LIHEAP funds using your state’s guidelines. Many states will mail you an application form and let you mail it back. If you are older or disabled, someone from the state energy office may come to your home to help you fill out the application form.

LIHEAP Crisis Assistance. Crisis Assistance is a special kind of LIHEAP. Usually, you can get Crisis Assistance even if you have already received “regular” LIHEAP, if you are facing the disconnection of electric or gas service, or the discontinuance of fuel oil, propane, or other fuel deliveries during the winter. Some states provide summer crisis assistance to prevent the shut-off of essential cooling service.

Fuel Funds: Utility/Nonprofit Partnerships for Home Energy Assistance

Your county or city human services agency or local community action agency can give you advice on how to receive LIHEAP assistance. Even if you don’t qualify for LIHEAP, or if your LIHEAP assistance has run out, the agency can tell you about other programs, called fuel funds, for which you might be eligible. Customer service representatives of your utility

should also be able to refer you to your local fuel fund because most utilities partner with local charitable or faith-based organizations to run the funds. Most fuel funds help with home energy bills, although some will help with water and sewer bills, as well. Fuel funds, also called energy banks, charitable energy (or bill) assistance programs, or utility assistance programs, have different structures in different communities. Sometimes, a fuel fund is a single purpose agency that only provides energy assistance. In other cases, a fuel fund is part of a community action agency, a neighborhood center, or a faith-based program such as Catholic Charities, United Jewish Federation, Salvation Army, or Lutheran Social Services.

Every fuel fund has its own eligibility guidelines, usually different from LIHEAP’s because



the fuel funds try to supplement LIHEAP. For instance, some fuel funds can only help those with shut-off notices. Others can serve families who have more income than LIHEAP eligibility allows. Like LIHEAP, some fuel funds can help with crisis situations presented by illness or unemployment. Some fuel funds provide assistance with only heating bills, while others also assist with home cooling costs.

The National Fuel Funds Network (NFFN) is the national association of charitable bill assistance programs. If you cannot get a referral to a fuel fund from your local government, LIHEAP provider or utility, visit www.nationalfuel Funds.org/directory.pdf.

If You Get a Shut-Off Notice

Contact your utility company. If this is your first shut-off notice, you usually have 10 days to negotiate a payment plan. You may also delay termination of your service for medical reasons. Ask your utility for a referral to your local and state-run emergency assistance organizations.

Payment Forgiveness and Shut-Off Moratoriums

Some utility companies will cancel or “forgive” large unpaid balances for services. This is also called “payment amnesty.” Forgiveness of unpaid balances is rare, and shouldn’t be used as a reason for not paying your utility bills.

Some states have adopted laws preventing utilities from shutting off utilities to customers who can’t pay their bills during periods of extreme weather. This is commonly called a “shut-off moratorium.” Cold weather shut-off protections are common. Hot weather-protections are becoming more common.

A shut-off moratorium is not the same as an amnesty program. If you don’t pay your utility bill during a moratorium, you will still be required to pay the entire unpaid balance once the moratorium is lifted. Even if there is a moratorium, you should pay as much as possible on your bill, even if you cannot pay at all. This will minimize the unpaid

bill you must pay when the moratorium ends. In addition, even if there is a shut-off moratorium, late fees will be charged on your total unpaid bill.

Summary and Resources

When the unexpected occurs, there are organizations that can help. They are there not as a handout, but to give you a hand overcoming your temporary crisis. As the problem of higher utility costs continues to grow, so does the number of groups who dedicate themselves to helping homeowners cope.

Contact these organizations for utility bill assistance:

National Energy Assistance Referral (NEAR)

To locate the nearest energy assistance center near you, call NEAR at 1-866-674-6327, or email energyassistance@ncat.org. Or go online at <http://neaap.ncat.org>. Select Low-Income, then select the state where you live.

National Fuel Funds Network

1010 Vermont Avenue, NW, Suite 718
Washington, DC 20005
1-202-824-0660

www.nationalfuelfunds.org

Federal LIHEAP website

Go to www.acf.dhhs.gov, click Energy Assistance under Services for Families. Then click the Low Income Home Energy Assistance Program link.

Owning is Just the Beginning: Learning to Budget the Utility Costs of Your New Home was written and prepared as a public service by the Denver-based National Endowment for Financial Education, or NEFE; William L. Anthes, Ph.D., President; Brent A. Neiser, CFP, Director of Collaborative Programs; and Mary J. Schultz, Project Manager of Collaborative Programs.

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Owning is Just the Beginning: Learning to Budget the Utility Costs of Your New Home was developed in collaboration with the National Fuel Funds Network. The National Fuel Funds Network is the association of programs that raise and distribute charitable funds for home energy assistance. NFFN's 270 members include utilities, nonprofit and faith-based organizations and units of local, state, and Tribal government. NFFN promotes charitable energy assistance programs and advocates for robust federal energy assistance. For more information, visit www.nationalfuelfunds.org.

Acknowledgments