

Title:

Hurricane Recovery: Financial Institutions Step It Up

Word Count:

378

Summary:

We have all heard the stories of financial institutions exploiting consumers with shady practices such as exorbitant interest rates, hidden fees, and the like. These accounts anger us and, rightfully, those that practice these deeds should be exposed. Fortunately, not all reports are bad as evidenced in the way many companies are treating their customers in light of recent disasters such as Hurricanes Katrina and Rita. Let's take a look at how some companies are responding in the wake of disaster.

Keywords:

credit cards, mortgages, home equity loans, hurricane relief, hurricane recovery, payment deferrals

Article Body:

We have all heard the stories of financial institutions exploiting consumers with shady practices such as exorbitant interest rates, hidden fees, and the like. These accounts anger us and, rightfully, those that practice these deeds should be exposed. Fortunately, not all reports are bad as evidenced in the way many companies are treating their customers in light of recent disasters such as Hurricanes Katrina and Rita. Let's take a look at how some companies are responding in the wake of disaster.

1. Disaster Relief Programs. If you live in an area designated by the Federal Emergency Management Agency [FEMA] and own property, you may be eligible for relief depending on your financial institution and the program they have in place. One well known bank, for example, is automatically deferring mortgage and home equity loans for as long as ninety days, or three payments. In addition, this same bank is not assessing late charges for that timeframe, nor are they reporting negative information to affected consumers credit reports.

2. Payment Holidays. Similar to disaster relief programs, several credit card companies are allowing their customers to not make credit card payments for a two or three month time period. Two institutions have stated that they will not collect late fees, but in each case it is not clear whether customers will still be charged interest on their unpaid balances.

3. Loan Extensions. The financial arms of several automakers are allowing customers in affected areas to defer loan payments for up to three months. Essentially, these institutions are extending the loan's length and adding the months to the end of the loan period without charging customers fees for this service.

If you live in any of the affected areas, it is best to contact your financial institutions directly to learn exactly what type of deferral plans, if any, they have in place. Some programs are less clear than others, particularly the payment holidays for credit card holders since it isn't always apparent whether you will still be charged interest during the affected time period. Still, these types of compassionate gestures by certain financial institutions can create plenty of goodwill for consumers and they are the types of corporations certainly worth patronizing for the long term.