



Barry University • Entrepreneurial Institute • Andreas School of Business
Institute for Community and Economic Development

Protecting Your Financial Future

A Sourcebook for Budgeting, Lending, and Credit

BARRY
UNIVERSITY

Written and Compiled by

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TABLE OF CONTENTS

PURPOSE OF THE SOURCEBOOK.....	4
INTRODUCTION.....	5
HOW TO MANAGE YOUR MONEY.....	6
HOW TO CREATE MORE MONEY FOR NECESSITIES & SAVINGS.....	13
HOW TO MANAGE YOUR DEBT.....	16
WHAT YOU NEED TO KNOW ABOUT DEBT COLLECTORS.....	23
HOW TO APPLY FOR A LOAN.....	27
PREDATORY LENDING.....	32
UNDERSTANDING YOUR CREDIT SCORE.....	34
HOW TO IMPROVE AND MAINTAIN GOOD CREDIT.....	36
CREDIT REPAIR: HOW TO HELP YOURSELF.....	39
INFORMATION ON CREDIT CARDS.....	41
NEW REGULATIONS FOR CREDIT CARD COMPANIES.....	45
WHAT TO DO IF YOUR WALLET IS LOST OR STOLEN.....	48
HOW TO PREVENT IDENTITY THEFT.....	49
OTHER TYPES OF SCAMS AND ILLEGAL PRACTICES.....	55
WHAT TO DO IF YOU LOSE YOUR JOB.....	59
RECOMMENDED RESOURCES.....	60
NOTES.....	62

PURPOSE OF THE SOURCEBOOK

The Sourcebook is designed to assist individuals to enhance their money skills in areas involving budgeting, lending, and credit. Effective use of financial education information is the key to protecting your financial future.

The information in this Sourcebook was written and compiled by Dr. Philip H. Mann, Ms. Rose Marie McClung, Mrs. Selen Turner, and Mr. Joe G. Lahoud.

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INTRODUCTION

Begin now to take control of your financial future and set the stage for achieving future dreams and goals. Making good decisions about spending and saving each day will protect you from money predators. It will help to set goals, acquire confidence, and develop realistic spending habits within your means and capabilities.

It is important to understand your rights when applying for a loan. It is vital to know about predatory lending practices, different types of scams, and how to avoid them. In the business world, borrowing money requires engendering trust in those who are in a position to lend. Trust begins with good character and a good credit history.

Knowing the repercussions of getting in over your head with a house or poor spending practices and a poor credit history is critical in today's world. Use caution and restraint in making loans and applying for credit. A poor credit rating can hurt in many ways such as:

- Getting a job – Many employers are now checking credit histories.
- Buying a home – A low credit score means a higher interest rate and higher monthly payments on a home mortgage.
- Renting an apartment – You may be rejected for a lease.
- Getting insurance – Some insurance companies and car rental agencies now check credit histories.
- Getting business loans – Banks are very reluctant to give loans to high-risk applicants.
- Getting an auto loan – A low credit score may be a burden for getting a car loan.

Factors that lower a credit score include: not paying your bills on time, a large amount of outstanding debt, and the number of times you have applied for credit recently.

Remember: Money thieves are everywhere and will take advantage of you for illegal purposes. If you have a problem, take action immediately. Waiting will be costly.

HOW TO MANAGE YOUR MONEY

Good money management starts with organizing and budgeting family expenses and income. Budgeting will help you to maximize your usage of every dollar you earn. Budgeting takes time at the beginning, but once you learn, it becomes almost second nature. With knowledge, commitment and control anyone can manage their money and have a better lifestyle with less worry of financial distress. Do not be a victim of continual financial crises.

A part of budgeting is taking stock of your net worth. How much cash do you have on hand and what do you own that can be turned into cash, such as a car, home, jewelry, and so forth? Net worth also includes trusts, pensions, insurance, investments, interest, and other sources of funds that you receive on a consistent basis that also become part of a saving program. Do you have enough money should you become unemployed or underemployed to take care of expenses for at least three months? You may decide as you plan for future needs, such as starting a business, that you need to save more money in anticipation of unknown possible expenses.

Given your present financial position, you may feel that saving is almost impossible. However, the first step to any savings program is to believe that you can do it and that it is only a matter of budgeting and making good choices (barring emergency situations). Ways to acquire additional income should be explored. This may include part-time work in the evenings or on the weekends, a home-based business, and garage sales.

Here are a few fundamental tips to help you take control of your money:

- ✓ Track your expenses on an “income/expense worksheet”. Write down everything you spend. A sample sheet is shown on pages 8 and 9.
- ✓ Create a workable and realistic budget based on the worksheet. Prioritize with your family the necessities, such as housing, food, utilities, clothing, transportation, and so forth. Then, discuss the flexible expenses, such as your TV cable plans, cell phone minutes, entertainment, etc., to determine if it is possible to cut back on some of the flexible or unnecessary items.

- ✓ Organize your financial documents, such as paid bills and other receipts. File them according to categories. Keep them in a safe, but handy place like a separate file cabinet.
- ✓ Meet with family regularly to discuss the spending plan (budget). Separate wants from needs and set goals for a period of time. For example, one goal may be to have a certain amount of money by the end of the year in the savings account to cover a family vacation. This is also a good time to discuss the allowances for each family member and the amounts available in each budget category. Encourage involvement and support from all family members.
- ✓ Plan to put aside some money into a savings account for unexpected expenses, such as the deductibles on your insurance, in case of a medical emergency. Add the amount of savings for each month on your monthly budget.
- ✓ Try to save money out of every paycheck. Be realistic and set a savings goal you can achieve.
- ✓ Always pay your bills on time.
- ✓ Check your credit rating at least once a year.
- ✓ Get a second opinion before investing your money.
- ✓ Be a value buyer. Always comparison shop and look for the best price. Many thrift shops have excellent value in clothing, household goods, and furniture.
- ✓ Negotiate for everything you can, especially for the purchase of a car and interest on the loan.
- ✓ Don't buy under stress. Avoid making big-ticket purchases when you are under duress such as debt or trying to cope with a death.
- ✓ Finally, remember: Saving requires a commitment. Once you commit verbally and on paper to something, it will be easier to achieve.

Income/Expense Worksheet

To determine your budget and what you can afford to spend, it is helpful to look at your monthly income and expenses. Fill in the following worksheet to see where you stand financially. Review your bills from the past six months to see the trend of your spending, and put the amounts into the budget categories below. Budgeting requires self-control, organization, and discipline, but it can easily become a habit that will lead you to financial security.

Monthly Income:

<u>Amount</u>	<u>Source of Income (list below)</u>
\$	
\$	
\$	
\$	
\$	
\$	
= \$	TOTAL MONTHLY INCOME

Monthly Fixed Expenses:

\$	Rent or Mortgage
\$	Property Insurance and Taxes
\$	Medical Expenses (health insurance, dental insurance, long-term care, etc.)
\$	Trash collection
\$	Child care/Elder care
\$	Car payment(s)
\$	Loan payments/Credit card payments
\$	Other Insurances (life insurance, auto insurance, etc.)
\$	Memberships (health club, union, etc.)
\$	Set-Aside for Savings
= \$	TOTAL FIXED EXPENSES

Monthly Flexible Expenses:

\$ _____	Personal Needs (cosmetics, haircuts, etc.)
\$ _____	Transportation (gas, car maintenance, bus, tolls, other transportation, etc.)
\$ _____	Food
\$ _____	Household Supplies (cleaning supplies, toiletries, diapers, detergent, etc.)
\$ _____	Clothing
\$ _____	Water
\$ _____	Other utility or Energy Expense: _____
\$ _____	Telephone
\$ _____	Laundry/Dry Cleaning
\$ _____	Cable
\$ _____	Internet Fees
\$ _____	Medical /Prescription Bills
\$ _____	Education expenses (tuition, fees, books, supplies, etc.)
\$ _____	Food away (lunches, dinner out, school money, etc.)
\$ _____	Recreation (movies, videos, music, travel, hobbies, lottery, etc.)
\$ _____	Debts: _____
\$ _____	Other Expenses (gifts, pet expenses, entertainment, allowances, etc.)
=\$ _____	TOTAL FLEXIBLE EXPENSES

\$ _____	TOTAL MONTHLY INCOME
- \$ _____	(minus) TOTAL MONTHLY EXPENSES (FIXED +FLEXIBLE EXPENSES)
= \$ _____	(equals) REMAINING INCOME

Using the information obtained from the income/expense worksheet, you can create your budget and spending plan. In addition, you can see how much you are spending, on which category and which one(s) you can reduce to save some money. You can also see the remaining income and determine additional needs.

Organizing Your Financial Documents

Keeping good financial records is critically important. Organizing and keeping your financial documents can save you time, money, and in some cases, trouble. While keeping your documents organized, you should also be careful where you keep them and who has access to them. Here are some tips about how and where to keep the important documents.

1. Purchase a file cabinet and files.
2. Label every file according to categories such as mortgage paperwork, mortgage payments, paycheck stubs, tax return receipts, car insurance, life insurance, bank account statements, payment receipts, water bills, and so forth.
3. Lock the cabinet and keep the key in a safe place.
4. Tell no more than one or two close friends or family members whom you trust where the file cabinet and the keys are located in case of an emergency.

How Long to Keep Financial Documents

Below is the list of timelines regarding how long to keep your documents and receipts in your file cabinet.

- **Taxes.....7 Years**
- **Tax Returns.....7 Years**
 - The IRS has three years from your filing date to audit your return and it has six years to challenge the records for tax deductions taken.
 - If you discover a mistake in your tax return, such as on alimony, charitable contributions, mortgage interest, or retirement plan contributions, you can file an amended return to claim a refund for up to three years.
- **Debt Settlement Receipts.....Permanently**
 - You should keep your debt settlement receipts from a bank or any other lender permanently in case of a dispute.

- **IRA Contributions.....**Permanently
 - If you made a nondeductible contribution to an Individual Retirement Account (IRA), keep the records indefinitely to prove that you paid taxes on this money when the time comes to withdraw.

- **Retirement / Savings Plan Statements.....**From one year to permanently
 - This is especially important for retirement and inheritance planning.
 - Keep the quarterly statements from your 401(k) or other plans until you receive the annual summary. Keep the annual statements until you retire or close the account.

- **Bank Records.....**From one year to permanently
 - Each year, compare all your checks with your account activities and keep those related to your taxes, business or education expenses, home improvements and mortgage payments.

- **Bills**From one year to permanently
 - Go through your bills once a year to see if they are accurate and paid.
 - The bills for big purchases (such as jewelry, watches, appliances, electronics, cars, etc.) should be kept in an insurance file for proof of their value in the event of loss, damage, or theft.

- **Credit Card Receipts and Statements.....**45 Days to 7 Years
 - Keep your original receipts until you check your credit card bill.
 - Keep the credit card statements for seven years if tax-related expenses are documented.

- **Paycheck stubs.....**One year
 - Keep your paycheck stubs until you receive a W-2 form from your employer. Verify the total amount listed. If there is incorrect information, ask your employer for a corrected W-2, also called W-2C.

- **House/condominium records.....**6 Years to Permanently
 - Keep all records related to purchase such as title, mortgage paperwork, remodeling, inspection, insurance, etc. for your house. In addition, keep all expenses incurred in selling and buying your house, such as legal fees, or real estate commission for six years after you sell the house.

- **Birth Certificates.....**Permanently
- **Marriage Certificates.....**Permanently
- **Divorce Certificates.....**Permanently
- **Death Certificates.....**Permanently
- **Military Documents.....**Permanently
- **Immunization Records.....**Permanently
- **Employment Records.....**Permanently
 - Keep all your employment records even if you resigned or your employment was terminated for retirement pension calculation purposes. They are important documents as a proof of the years you have worked in case of an error.
- **Social Security Card.....**Permanently
- **Wallet Documents.....**Update Yearly
 - Keep a copy of all your cards and documents that you keep in your wallet. Put the copies in your file cabinet. If they get lost or stolen, then you will know what you have to cancel and report as lost.

HOW TO CREATE MORE MONEY FOR NECESSITIES AND SAVINGS

Now that you have identified your goals and created a spending plan, here are some other ways to begin or increase your saving. Pick out the tips that fit your lifestyle:

- \$ The fundamental formula is to “pay yourself first.” Before you pay expenses, deposit some money into your savings account.
- \$ Save your change. Deposit it into a savings account.
- \$ Save your income tax refund.
- \$ Review your paycheck. Save your overtime pay or your year-end bonuses. When you get a raise, save a fraction or all of it.
- \$ Save any gifts of money (birthdays, holiday gifts, etc.).
- \$ If you eliminate an expense, save it. For example, if you quit smoking, save what you would have spent on cigarettes.
- \$ Start a savings account early in the year to pay for holiday gifts. Banks and credit unions will open special accounts for that and many other savings goals.
- \$ Shop around for all your insurances. Get a few quotes from different companies. Review your deductibles on your auto insurance for collision and comprehensive coverage. Talk to your agent about raising them to a higher amount or, if you have an older car, dropping some coverages altogether.
- \$ Switch to credit cards with lower annual percentage rate (APR), or negotiate with your current lender for a lower rate. Balance transfers can sometimes save you money, but read the fine print to understand all terms and conditions.
- \$ If you pay off a loan, continue making the payments to yourself into a savings account.

- \$ Those who shop with credit cards tend to spend as much as 30% more than if they had used cash.
- \$ Make trade-offs. Substitute small, free entertainment for those that will cost you. Have a movie night at home with your friends, or instead of going to shopping malls for fun, consider going to a park or a beach with your family.
- \$ Spend what you can afford for each month on a credit card based on your spending plan. If possible, pay off your entire credit card bill when it is due.
- \$ Keep yourself away from monthly installment offers. An extra \$50 a month can add up very quickly and become a problem.
- \$ Some of the best places to find savings include your telephone bills (cell and land line), your utility bills (turn off the lights and do not run the air conditioning when no one is home), and your entertainment expenses (pack a lunch for work and dine out less). Gas is another flexible expense that can be reduced by walking to the store, carpooling, or taking public transportation. In addition, turning your water heater to a lower degree can save you money over time.
- \$ Consider whether a late-model used car, costing thousands of dollars less than a new vehicle, would meet your needs. The biggest cost in owning a new car is depreciation, because some new cars drop in value by as much as 20% in the first year on the road.
- \$ When buying a used car, compare the seller's asking price with the guides to car prices found at libraries or on the Internet. Have a mechanic check the car.
- \$ To save better, you have to spend better. Keep your expenses organized, keep them under control by tracking every month through the income/expense worksheet, and prioritize your spending.
- \$ Certain investments such as an individual retirement account (IRA) can reduce your tax liability, plus help you begin investing as part of a regular financial plan. Consider long-term savings in tax-free investments first because money usually grows faster with these types of investments.

- \$ Check with your phone company to find out whether a flat rate service plan will save you money. Check your phone bill to see if you have optional services that you do not really need. Low-income subscribers may qualify for a discount. Call your local provider to find out if you qualify.
- \$ Check with your mobile phone provider about late fees and early termination fees, and compare them to other companies.
- \$ Avoid impulse buying. Create a shopping list before you go to the stores. If you see something you want to buy that wasn't planned for, test yourself by asking the following questions: "Will I use it soon? Will I need it later but can save money by buying it now? Does it fit within my budget?" Make sure you ask yourself if you really need the item or just want it. People spend less on food if they shop with a list and if they go when they are not hungry.
- \$ Ask yourself if you really need it before you go into a shop that has a sale sign. If you do not really need it, it is not saving; it is extra cost to your budget.
- \$ Ask your physician and pharmacist for generic drugs whenever appropriate. Since pharmacies may charge different prices for the same medicine, call several. Many big retail stores and pharmacies now offer selected drugs for as little as \$4. Make sure you check around to find the best price.
- \$ Cutting coupons can save you some money on your weekly food bills. Get a Sunday newspaper, or check websites such as: www.coupons.com, eDeals.com, CouponMap.com, PricePlease.com, and SeatCity.com.
- \$ Deposit your savings into a Federal Deposit Insurance Corporation (FDIC) insured savings account that pays interest. Another option may be to invest in a Certificate of Deposit (CD) that might pay a higher interest. Before you invest in a top paying CD make sure you ask for advice about the bank or lending agency from a trusted source.

HOW TO MANAGE YOUR DEBT

If you have prepared a budget and taken control of your spending habits, yet your debt is still rising, there are ways to get your debt under control. Here are steps you need to follow for a debt-free life.

1. Make a list of all your debts on the worksheet below listing the creditors, the amount owed, minimum monthly payments, and interest rates.

Debts	Name of Lender	Total Amount Owed	Minimum Monthly Payment	Interest Rate
Mortgage		\$	\$	%
Home Equity Loan		\$	\$	%
Home Equity Line of Credit		\$	\$	%
Furniture/Appliance Payment		\$	\$	%
Car Loan		\$	\$	%
Personal Loan		\$	\$	%
Student Loan		\$	\$	%
Other Loans		\$	\$	%
Credit Card Debts	Name of Bank	Total Amount Owed	Minimum Monthly Payment	Interest Rate
Credit Card 1		\$	\$	%
Credit Card 2		\$	\$	%
Credit Card 3		\$	\$	%
Credit Card 4		\$	\$	%
Other		\$	\$	%
TOTAL DEBT		\$	\$	

2. Negotiate with creditors to lower your interest rate. Shop around at websites such as www.lowermybills.com or www.bankrate.com. Look at competitive offers to transfer your balance to another credit card that offers a lower interest rate. Be sure to read the fine print for terms and conditions for interest rates in the upcoming months. Before you switch your debt to one of the lower interest rate cards, call your current credit card company and ask to have your rate lowered.

3. Go through your income/expense worksheet and prioritize the necessities.
 - Fixed expenses, such as rent or mortgage payments, come first. Food, utilities, transportation, and all other expenses are next on the list. All other debt such as bank-card debt, department store debts, payments for furniture and appliances follow in the priority list.
 - Revise flexible expenses that can be reduced to find some extra cash to pay all other debts. Every day, you may be needlessly spending money on little things that you could be using to pay down your debt. Use the tips given on the savings section on pages 13-15 of this book.

4. The key to getting out of credit card debt is to pay more than your minimum payment.

Example: If you owe \$8,000 on a credit card that has a 16% interest rate, you can dramatically reduce the amount of time it will take to repay the debt by raising your monthly payment. If you pay the minimum of \$160 per month (assuming the minimum is 2% of the balance), it could take you 30 years to repay the debt. If you raise the payment to \$300 per month, or \$10 per day, you can pay off the card in about three years.

5. The quickest way to get back on the right path is to reduce your spending. Use these suggestions to help cut back so you can move forward.
 - Try carrying the least amount of credit cards in your purse or wallet.
 - Write checks instead of using credit cards.
 - Carry only designated amounts of cash for purchases.
 - Create specific funds for special occasions such as holiday presents, vacations, anniversaries, etc.
 - Tell friends and family what you are trying to do in order to rally support and explain the changes in your lifestyle.
 - Pay credit card bills on time to avoid late fees.
 - Make no more than one ATM visit a week.
 - Turn down the credit card offers that you do not need.

6. Prepare a spending plan on your income/expense worksheet for upcoming months. A new spending plan should be developed for each month, detailing your estimated monthly expenditures. It should be completed 15 days before the month starts. By following this timeline, if you have a shortfall – more

money going out than coming in – you will have time to cut expenses or generate additional income.

7. Get your credit report and credit scores. Under the Fair and Accurate Transaction (FACT) Act, at your request, each of the three major credit reporting agencies Equifax, Experian, and TransUnion, will provide you with one free credit report every 12 months. You may request your free credit report online, by telephone, or through the mail. Free credit reports requested by phone or mail will be processed within 15 days of receiving your request. Once you receive your credit report, verify all the information given.

- To get a free report, visit the website set up by the Federal Trade Commission:
 - Visit www.annualcreditreport.com. Type this address very carefully. Similar web addresses are not government sponsored and may expose your personal information to fraud or there may be a charge for the report.
 - Call [1-877-322-8228](tel:1-877-322-8228)
 - Download and complete the Annual Credit Report Request Form online and mail it to: [Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281](#)
- Your free credit report does not include your credit score. Get your credit score from the three major credit bureaus: Experian, Equifax, and TransUnion. The credit score is crucial to negotiate for lower interest rates on loans and credit cards. As you pay down more debt, your credit score will increase. This means you can renegotiate with the creditors for lower interest rates on the existing debts.

The fee to obtain the credit scores is around \$8 each. To find out your credit score:

- Visit: www.experian.com, www.equifax.com, and www.transunion.com
- Call Experian: [1-888-397-3742](tel:1-888-397-3742), TTD: [1-800-972-0322](tel:1-800-972-0322)
- Call Equifax: [1-877-726-7311](tel:1-877-726-7311), or TTD: [1-800-255-0056](tel:1-800-255-0056)
- Call TransUnion: [1-800-888-4213](tel:1-800-888-4213), TTD: [1-877-553-7803](tel:1-877-553-7803)

- If you buy only one score, buy your FICO score because it is most likely the closest to the one your lender will use. You can obtain your score from www.myFICO.com for \$15.95 each, and it is based on only Equifax and TransUnion. FICO: 1-800- 319-4433
 - If you dispute something in your credit report, credit bureaus usually must investigate within 30 days and remove the information if it is wrong or cannot be verified at that time.
 - Read pages 34-40 for more information on credit.
8. Seek credit counseling if absolutely necessary. Reputable credit counseling organizations employ counselors who are certified and trained in consumer credit, money and debt management, as well as budgeting. Organizations that advertise credit counseling often arrange for consumers to pay debts through a debt management plan (DMP). In a DMP, you deposit money each month with a credit counseling organization. The organization uses these deposits to pay your credit card bills, student loans, medical bills, or other unsecured debts according to a payment schedule they have agreed with you and your creditors. Creditors may agree to lower interest rates or waive certain fees if you are repaying through a DMP.

What to Consider When Choosing a Credit Counselor

The Federal Trade Commission (FTC) has found that some organizations that offer debt management plans have deceived and defrauded consumers, and recommends that consumers check their bills to make sure that the organization fulfills its promises. If you are paying through a debt management plan (DMP), contact your creditors and confirm that they have accepted the proposed plan before you send any payments to the organization handling your DMP. Once the creditors have accepted the DMP, it is important to:

- Make regular, timely payments.
- Always read your monthly statements promptly to make sure your creditors are getting paid according to your plan.

- Contact the organization responsible for your DMP if you will be unable to make a scheduled payment, or if you discover that creditors are not being paid.

If you are considering working with a credit counselor for the first time, asking questions like those given below can help you find the best counselor for you. Here are examples of questions recommended by the Federal Trade Commission:

- **What services do you offer?** Look for an organization that offers a range of services, including budget counseling and savings/debt management classes. Avoid organizations that push a debt management plan (DMP) as your only option before they spend a significant amount of time analyzing your financial situation.
- **Do you offer information? Are educational materials available for free?** Avoid organizations that charge for information.
- **In addition to helping me solve my immediate problem, will you help me develop a plan for avoiding problems in the future?**
- **What are your fees? Are there setup and/or monthly fees?** Get a specific price quote in writing.
- **What if I cannot afford to pay your fees or make contributions?** If an organization will not help you because you cannot afford to pay, look elsewhere for help.
- **Will I have a formal written agreement or contract with you?** Do not sign anything without reading it first. Make sure all promises are in writing.
- **Are you licensed to offer your services in my state?** Always ask for a valid license to be shown to you.
- **What are the qualifications of your counselors?** Are they accredited or certified by an outside organization? If so, by whom? If not, how are they

trained? Try to use an organization whose counselors are trained by a non-affiliated party.

- **What assurance do I have that information about me (including my address, phone number, and financial information) will be kept confidential and secure?** Always ask for written privacy policies or any other written document.
- **How are your employees compensated?** Are they paid more if I sign up for certain services, if I pay a fee, or if I make a contribution to your organization? If the answer is yes, consider it a red flag and go elsewhere for help.

Note: Be aware of the claims for debt negotiation. It is not the same thing as credit counseling or a debt management plan (DMP). It can be very risky and have a long-term negative impact on your credit report and, in turn, your ability to get credit. That is why many states have laws regulating debt negotiation companies and the services they offer.

Bankruptcy should be a **last** resort if you are overloaded with debt and there is no alternative. Bankruptcy may be the only option. Hiring a lawyer is not cheap. Finding a professional who has handled bankruptcies may be your best choice. Do your homework, find a licensed professional, and stay positive.

Recommended Resources for Debt Management

1. Nonprofit organizations to contact for referrals to a counselor in your area:
 - **National Foundation for Credit Counseling (NFCC):** 1-800-388-2227 or www.nfcc.org
 - **Association of Independent Consumer Credit Counseling Agencies (AICCCA):** 1-800-450-1794 or <http://aiccca.org>
2. **Consumer Credit Counseling Service** is the nation's first and oldest consumer credit counseling agency, a nonprofit organization that offers services for those who need debt management counseling. The organization also provides services in financial education, budgeting, bankruptcy counseling, and other educational community outreach programs.

Consumer Credit Counseling Service contact information:

- Toll-Free Number: 1-800-355-2227
- Miami Office Number: 305-893-5550
- Website: www.creditcounseling.org

3. The Federal Trade Commission (FTC) works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them.

To file a complaint or to get free information on consumer issues,

- Visit www.ftc.gov
- Call toll-free: 1-877-FTC-HELP (1-877-382-4357), TTY 1-866-653-4261

WHAT YOU NEED TO KNOW ABOUT DEBT COLLECTORS

If you are behind in paying your bills, or a creditor's records mistakenly make it appear that you are, a debt collector may be contacting you.

The Federal Trade Commission (FTC), the nation's consumer protection agency, enforces the Fair Debt Collection Practices Act (FDCPA), which prohibits debt collectors from using abusive, unfair, or deceptive practices to collect from you.

Under the FDCPA, a debt collector is someone who regularly collects debts owed to others. This includes collection agencies, lawyers who collect debts on a regular basis, and companies that buy delinquent debts and then try to collect them.

Here are some questions and answers about your rights under the Act, according to The Federal Trade Commission:

What types of debts are covered by FDCPA?

The Act covers personal, family, and household debts, including money you owe on a personal credit card account, an auto loan, a medical bill, and your mortgage. The FDCPA does not cover debts you incurred to run a business.

Can a debt collector contact me at any time or any place?

A debt collector may not contact you at inconvenient times or places, such as before 8:00 am or after 9:00 pm, unless you agree to it. Collectors may not contact you at work if they are told (orally or in writing) that you are not allowed to get calls there.

How can I stop a debt collector from contacting me?

If a collector contacts you about a debt, you may want to talk to them at least once to see if you can resolve the matter – even if you do not think you owe the debt, cannot repay it immediately, or think that the collector is contacting you by mistake. If you decide after contacting the debt collector that you do not want the collector to contact you again, tell the collector – in writing – to stop contacting you. Sending such a letter to a debt collector you owe money does not erase the debt, but it should stop the contact. The creditor or the debt collector still can sue you to collect the debt.

Can a debt collector contact anyone else about my debt?

If an attorney is representing you about the debt, the debt collector must contact the attorney, rather than you. If you do not have an attorney, a collector may contact other people – but only to find out your address, your home phone number, and where you work. Collectors usually are prohibited from contacting third parties more than once. Other than to obtain this location information about you, a debt collector generally is not permitted to discuss your debt with anyone other than you, your spouse, or your attorney.

What does the debt collector have to tell me about the debt?

Every collector must send you a written “validation notice” telling you how much money you owe within five days after they first contact you. This notice also must include the name of the creditor to whom you owe the money, and how to proceed if you do not think you owe the money.

Can a debt collector keep contacting me if I do not think I owe any money?

If you send the debt collector a letter stating that you do not owe any or all of the money, or asking for verification of the debt, that collector must stop contacting you. You have to send that letter within 30 days after you receive the validation notice. But a collector can begin contacting you again if it sends you written verification of the debt, like a copy of a bill for the amount you owe.

Can I control which debts my payments apply to?

Yes. If a debt collector is trying to collect more than one debt from you, the collector must apply any payment you make to the debt you select. Equally important, a debt collector may not apply a payment to a debt you do not think you owe.

Can a debt collector garnish my bank account or my wages?

If you do not pay a debt, a creditor or its debt collector generally can sue you to collect. If they win, the court will enter a judgment against you. The judgment states the amount of money you owe, and allows the creditor or collector to get a garnishment order against you, directing a third party, like your bank, to turn over funds from your account to pay the debt. Wage garnishment happens when your employer withholds part of your compensation to pay your debts. Your wages usually can be garnished only as the result of a court order. Do not ignore a lawsuit summons. If you do, you lose the opportunity to fight a wage garnishment.

Illegal Practices for Debt Collectors

Harassment: Debt collectors may not harass, oppress, or abuse you or any third parties they contact. For example, they may not:

- use threats of violence or harm
- publish a list of names of people who refuse to pay their debts (but they can give this information to the credit reporting companies)
- use obscene or profane language
- repeatedly use the phone to annoy someone

False statements: Debt collectors may not lie when they are trying to collect a debt. For example, they may not:

- falsely claim that they are attorneys or government representatives
- falsely claim that you have committed a crime
- falsely represent that they operate or work for a credit reporting company
- misrepresent the amount you owe
- indicate that papers they send you are legal forms if they are not
- indicate that papers they send to you are not legal forms if they are

Debt collectors also are prohibited from saying that:

- you will be arrested if you do not pay your debt
- they will seize, garnish, attach, or sell your property or wages unless they are permitted by law to take the action and intend to do so
- legal action will be taken against you, if doing so would be illegal or if they do not intend to take the action

Debt collectors may not:

- give false credit information about you to anyone, including a credit reporting company
- send you anything that looks like an official document from a court or government agency if it is not
- use a false company name

Unfair practices: Debt collectors may not engage in unfair practices when they try to collect a debt. For example, they may not:

- try to collect any interest, fee, or other charge on top of the amount you owe unless the contract that created your debt – or your state law – allows the charge

- deposit a post-dated check early
- take or threaten to take your property unless it can be done legally
- contact you by postcard

Your Rights

- You have the right to sue a collector in a state or federal court within one year from the date the law was violated. Even if a debt collector violates the Fair Debt Collection Practices Act (FDCPA) in trying to collect a debt, the debt does not go away if you owe it.
- If a debt collector files a lawsuit against you to collect a debt, respond to the lawsuit, either personally or through your lawyer, by the date specified in the court papers to preserve your rights.
- You have the right to report any problems you have with a debt collector to:
 - The Attorney General's Office: www.naaq.org
 - The Federal Trade Commission: www.ftc.gov
 - Florida Office of Financial Regulation: www.flofr.com or [1-800-848-3792](tel:1-800-848-3792)

Many states have their own debt collection laws that are different from the Federal Fair Debt Collection Practices Act. Your Attorney General's Office can help you determine your rights under your state's law.

HOW TO APPLY FOR A LOAN

Checklist for Credit Decisions

When you apply for a loan, the lender might ask for an interview to learn more about you. Here are some personal questions you might be asked when applying for credit:

- How long have you been in your job?
- How much money do you make each month?
- What are your monthly expenses?
- How much money do you have in checking and savings accounts?
- Do you own a house? Do you have any other investments or other assets?
- Have you had credit in the past?
- How many credit accounts do you have?
- Have you recently been denied credit?
- Have you ever filed for bankruptcy?
- Have you had any outstanding judgments, repossessions, foreclosures, charge-offs, or collection accounts?
- Have you made late payments in the past 24 months?

Criteria for Determining Credit Risks of Lending

Having a credit card does not mean you have the money to pay for a purchase. You need to be able to pay your monthly credit card bill. When you apply for credit, the lender will review your credit history to decide whether you are a good credit risk and whether you will be able to pay back the loan. When you get a loan or a credit card, there are several costs that you must budget: the amount borrowed, fees, and interest. Fees are charged for such activities as reviewing your loan application and servicing your account. Choose a credit card that provides a low interest rate and a very low or no annual fee.

In making decisions about a loan, lenders consider current debt, how many different types of credit you have handled in the past, such as a mortgage, car loan, credit cards, etc., and how many new recent credit applications you have made for consumer credit.

In addition, they consider “*Three C’s of Lending*”:

- **Capacity:** Present and future ability to meet payments – your total outstanding balance compared with your total credit limits
- **Capital:** Savings and other assets that can be used as collateral for loans
- **Character:** History of paying bills or debts in the past on time

Applying for a Loan

Before you apply for a loan, you first should do some homework to prepare yourself. Steps to follow for getting a loan include:

1. Prepare yourself for borrowing
 - Check your debt and savings. Be prepared to pay down excess debt to increase your credit score to get a better interest rate on the loan and be prepared for some down payment on the loan in case it is requested.
 - Obtain recent credit reports and credit scores. Furthermore, arrange for credit counseling and repair if necessary. You need to have the same credit information that lenders have to avoid an initial rejection or problems if there is a discrepancy in the scores and reports between what you have and what they have. Only deal with accredited, certified counselors. See pages 19-22 for recommended resources for counseling.
2. Do research to figure out how much the loan will cost you and whether you can afford the monthly payments. Check your income/expense sheet and debt payment plan. Seek advice (friends, family, trusted coworkers, credit counselors, etc.) before applying for a loan. Figure out how much you can afford or ask an accountant to help you calculate that amount. Consider taking someone along with you when you talk to a lender. Take your time before deciding on the best loan or lender. Ask questions and have details explained. Never allow lenders to pressure you into a decision before you are ready.
3. Ask yourself these questions before obtaining credit or a loan:
 - Do I need this?
 - Do I need it now?
 - Can I wait until I have cash to pay for it?
 - Can I get credit?

- How much will I pay if I buy on credit?
- Can I afford the monthly payments?
- What is the total cost of credit?
- Are there any fees?
- What is the annual percentage rate?

4. Do extensive research and shop for the best terms and interest rates. Check and compare available interest rates and financing costs from banks and other lenders. When comparing the loans even when you understand the terms a creditor is offering, it is easy to underestimate the difference in dollars that different terms can make.

Example: Suppose you are buying a \$7,500 car. You put \$1,500 down and need to borrow \$6,000. Compare the three credit arrangements in the chart below. The comparison depends partly on what you need. The lowest cost loan, in terms of total finance charges and total of payments, is available from Creditor A.

	APR	Length of Loan	Monthly Payment	Total Finance Charge	Total of Payments
Creditor A	14%	3 years	\$205.07	\$1,382.52	\$7,382.52
Creditor B	14%	4 years	\$163.96	\$1,870.08	\$7,870.08
Creditor C	15%	4 years	\$166.98	\$2,015.04	\$8,015.04

If you were looking for lower monthly payments, you could get them by repaying the loan over a longer period. However, you would have to pay more in total costs. A loan from Creditor B, also at a 14% APR, but for four years, will add about \$488 to your finance charge.

5. Use the following explanation on laws as a source of information when comparing costs:

- **Truth in Lending Act** requires creditors to give you certain basic information about the cost of buying on credit or taking out a loan. These disclosures can help you shop for the best deal. Make sure you ask the lender to provide you these disclosures. By remembering two terms – the finance charge and the annual percentage rate (APR) – you can compare credit prices from different sources. Under the Truth in Lending Act, the

creditor must tell you – in writing and before you sign any agreement – what these terms will be.

- The **finance charge** is the total dollar amount you pay to use credit. It includes interest costs and other costs, such as service charges and some credit-related insurance premiums.
 - The **annual percentage rate (APR)** is the percentage cost (or relative cost) of credit on a yearly basis, which is your key to comparing costs, regardless of the amount of credit or how long you have to repay it.
- **Consumer Leasing** disclosures can help you compare the cost and terms of one lease with another and with the cost and terms of buying for cash or on credit. All creditors – banks, stores, car dealers, credit card companies, finance companies – must state the cost of their credit in terms of the finance charge and the APR. Federal law does not set interest rates or other credit charges, but it does require their disclosure so that you can compare credit costs. The law says these two pieces of information must be shown to you before you use a credit card. These disclosures provide a snapshot of what you will pay:
 - At the beginning of the lease – the amount you will pay at lease signing or delivery
 - During the lease – the monthly or periodic payments
 - Other charges that you will face
 - The total amount you will pay over the lease term

6. For a business loan, prepare a two-page statement outlining who you are, the reason for the loan, how much you need, and for what purpose.

7. Learn and know your rights under the law.

Your Rights Under Law

The **Equal Credit Opportunity Act** requires that all credit applicants be considered on the basis of their actual qualifications for credit and not be rejected because of certain personal characteristics. However, this law does not guarantee that you will get credit. You must still pass the creditor's tests of creditworthiness. But the creditor must apply these tests fairly and impartially without discrimination.

The protection under the Equal Credit Opportunity Act means that a creditor may not:

- Discourage you from applying for a loan
- Refuse you a loan if you qualify
- Lend you money on terms different from those granted another person with similar income, expenses, credit history, and collateral
- Close an existing account because of age, gender, marital status, race, color, religion, national origin, receipt of public income or because you exercise your rights under federal credit laws

Note: Although creditors may not discriminate on the basis of national origin, they may consider your immigration status when making a loan decision. If you think you have been discriminated against, cite the law to the creditor. If the creditor still says no without a satisfactory explanation, you may contact a federal enforcement agency for assistance (the federal agency you should contact should be included in the notice you receive from the creditor), or you may bring legal action by submitting a written complaint letter to the Federal Reserve.

- Mail your letter to: Federal Reserve Consumer Help, P.O. Box 1200
Minneapolis, MN 55480
Phone: 888-851-1920 , TTY 877-766-8533, fax 877-888-2520
E-mail: ConsumerHelp@FederalReserve.gov
Website: www.FederalReserveConsumerHelp.gov

Under **The Fair Credit Billing Act** a creditor must correct the billing errors reported to them such as the charges in wrong amounts, charges not made by the consumer, etc., otherwise the creditor automatically loses the amount owed on the item in question and any finance charges on it, up to a combined total of \$50 even if the bill was correct.

The **Fair Credit Reporting Act** regulates the collection, dissemination, and use of consumer credit information. You may report any credit-reporting agency or creditor for breaking the rules about who may see your credit records or for not correcting errors in your file. A person who obtains a credit report without proper authorization, or an employee of a credit-reporting agency who gives a credit report to unauthorized persons, may be fined up to \$5,000 or imprisoned for one year, or both.

PREDATORY LENDING

While looking for a loan, be aware of predatory lending. These are tactics that are considered unprofessional and unethical. Abusive practices in predatory lending take many forms and occur in the mortgage, home equity, credit card, auto lending, and payday lending markets. The followings are tactics that can be considered predatory:

- High-pressure and misleading sales pitches
- Excessive fees and interest rates beyond what is necessary to cover the risk and make a profit
- “Packing on” or requiring unnecessary products that are included in the loan balance
- Large prepayment penalties that are intended to trap the borrower in an unfavorable or unaffordable loan
- Payments that increase over time and have unrealistic repayment terms. Watch out for balloon payments requiring small payments at first but then jump to a much higher amount after a few months or years
- Loan flipping or frequent refinancing with fees folded into the loan balance that results in rising loan balances and decreases the equity in your loan
- Aggressive and abusive collection practices

How to Avoid Predatory Loans

- Pay bills on time to ensure you have a good credit history. Determine if your credit history is accurate by reviewing your credit report every year.
- Be an informed consumer. Shop around for the best deal. If a lender is unwilling to give you the information you need to comparison shop, you probably do not want to do business with him or her.

- Be careful of lenders who tell you they do not care about your credit history or how much you earn. Many of these places charge higher interest and higher fees.
- Banks and credit unions are a better alternative than pawn shops, check cashiers, or payday lenders.
- Be careful of subprime credit cards. They are marketed to people with poor credit histories and scores. Subprime cards come with only a few hundred dollars of a credit line, but are loaded with fees, such as an annual fee of \$75 and a \$45 processing fee.
- Do not respond to advertisements that make lending sound cheap and easy.
- Be careful of home improvement contractors that promise to get you a loan.
- Most credit insurance is optional. Lenders cannot require you to purchase credit insurance from their company.
- There may be better alternatives to credit life insurance, such as a life insurance policy purchased separately.
- Request copies of the loan documents you sign and keep copies of all the documents lenders give you.
- Never sign blank documents or documents where blank spaces have not been completed.
- The Small Business Administration (SBA) issued a statement in March 2010 warning business owners about fraud regarding individuals who guarantee delivery of SBA loans.
- SBA Express Loans is an attractive area for loan-agent fraud. Therefore, always check the agent's references and business license.
- If you think you are a victim of a predatory loan, contact an attorney. Most communities have agencies that provide free legal services to individuals with limited income. Look in the white pages of the telephone directory under "Legal Services of ..." for the number of the local program.

UNDERSTANDING YOUR CREDIT SCORE

Before learning how to improve your credit score, it is important to learn what a credit score is and the factors that affect your score.

Your credit score is a number that is calculated with a formula that lenders use to predict how much risk you bring as a borrower. The “FICO score” was named for the Fair Isaac and Co. initials. The company developed software to calculate your score that has been used by the major credit reporting agencies: Experian, Equifax and TransUnion. FICO scores range from 300-850. This score is one of the most important factors used when determining whether or not to lend you money and at what interest rate. A FICO score above 720 usually means you can get lower interest rates and terms. Lenders take a harder look at scores below 640.

A good credit score makes it easier to get a loan and can allow you to get credit at a lower cost. A good credit rating may enable you to get a job, buy a home at a lower interest rate with a lower monthly payment, rent an apartment, get insurance at a lower rate, and make a business or auto loan.

There are five categories that go into your credit score:

- 1. Payment History – 35%:** Based on how consistently you pay your bills on time.
- 2. Total Amounts Owed – 30%:** Based on a debt-to-available credit ratio or your current monthly balance vs. your credit limit.

Example: If you have \$30,000 in available credit and have borrowed \$22,500, you have a 75% debt-to-available-credit ratio. With 75%, you look overextended and will get a lower score. In another example, you may have a \$90,000 line of credit on your home and four credit cards with a credit limit of \$5,000 each. If your debt is \$15,400 on the credit cards – or 14% of your available credit of \$110,000 – your debt-to-available-credit ratio is much better. Accessing more than 50% of your available debt hurts your score. Balances should be no more than 30% of your credit limits.

- 3. Length of Credit History – 15%:** How long you have had your accounts, credit cards etc. Therefore, do not close all long-term accounts. They help to establish your history using credit.
- 4. Type of Credit in Use – 10%:** Based on the types of credit you have handled such as a home mortgage, car loan, or credit card.
- 5. New Credit – 10%:** Based on the number of times you ask for credit. Don't open many new accounts in a short time, especially if you have high balances on other accounts.

HOW TO IMPROVE AND MAINTAIN GOOD CREDIT

The bulk of your credit score comes from your payment history and the total amounts that you owe. This means late payments and high balances have the greatest impact on your overall score. Therefore, in order to improve or maintain credit once you get credit:

- If possible, pay off your entire bill each month. If you cannot, try to pay more than the minimum balance due. This will reduce finance charges and total interest paid.
- Pay on time to avoid late fees and to protect your credit. If you cannot pay on time, call your creditor immediately to explain the situation. They may waive late fees or be willing to make different payment arrangements.
- Always check your monthly statement to verify transactions. Call your creditor as soon as possible if you suspect errors in your statement.
- Ignore offers creditors may send you to “reduce” or “skip” payments. You will still be assessed finance charges during this period.
- Think about the cost difference if you purchase your item with cash vs. if you purchase your item with credit. Remember that if you purchase a \$500 TV set with a credit card with a 20% APR (annual percentage rate), it will cost \$1,084 and take 9 years to pay off if you only pay the \$10 minimum monthly payments.
- Be aware that co-signing for someone else is highly discouraged, no matter how important to you they are.
- Pay your bills on time. Late payments can bump your interest charges from a low interest rate to a very high level.
- Get current on past due accounts and try to pay more than the minimum.
- Get your credit reports and look for incorrect information. Check your name for errors. Try to consistently use the same name. If you see mistakes, correct them immediately by contacting the credit bureaus in writing by

certified return receipt mail. Circle the error and write next to it or in an attached letter why it is incorrect. Include copies of documents (not originals) that support your case. Credit reporting agencies have 30 days after hearing from you to correct inaccuracies.

- If you plan on making a big purchase or anticipate refinancing your home, etc., you may want to purchase your credit report and score at least three months in advance so you can work on improving it.
- It is not possible to remove accurate negative information. However, you may submit a 100-word explanation as to the cause and what you are doing about the situation to the credit bureaus. Request that this be placed in your file and submitted to all inquiries about your credit status. Use the 100-word option only for big negatives with compelling reasons, such as a bankruptcy, foreclosure, death of a family member, serious medical problems, job loss, natural disasters such as a hurricane, or divorce.
- Know that accounts paid or wiped off by bankruptcy can reappear on your credit report. Under Florida law, a debt collection can last up to five years from the date of delinquency for anything covered by a written contract such as a credit card. Federal law states that bad debts must be dropped from your credit report after seven years.
- In cases where an item is disputed with a creditor such as a department store, you should write to the creditor as well as the credit bureaus.
- Reduce your debt. Do not max out your credit cards. Use only 30% to 50% of available credit limits.
- When shopping for consumer goods, do not give your personal information or your Social Security number for credit checks until you are ready to make the purchase. Too many inquiries to the credit bureaus within a short period of time can lower your score as well as making excessive purchases over a short period of time.
- If you have a high credit score, negotiate the best interest rates. On a long-term mortgage this can save thousands of dollars.

Note: When your credit card company sells off its bad debts, the buyer of the debt may try to track you down and demand payment. If the debt has been settled, paid, or is past the legal number of years, it is illegal to re-age the debt or report the old debt to the credit bureau with a new date. Re-aging hurts consumers who may be purchasing a home or a car or getting a new credit card. Do your homework and know what is on your credit reports and the dates of old debts. To dispute such re-aging, write a letter disputing the debt to the credit bureau that gave you the report. Write the creditor and ask for verification of the debt. Both will investigate your dispute and the credit bureau must notify you of the results.

For additional information, visit www.ftc.gov and enter “How to Dispute Credit Report Errors” into the search box.

CREDIT REPAIR: HOW TO HELP YOURSELF

The Federal Trade Commission (FTC) advises not to believe in claims such as, “Credit problems? No problem!”, “We can remove bankruptcies, judgments, liens, and bad loans from your credit file forever!”, “We can erase your bad credit — 100% guaranteed”, “Create a new credit identity legally” on the radio, in the mail, on the Internet or anywhere else, because they are very likely signs of scam. The fact is that there is no quick fix for creditworthiness. You can improve your credit report legitimately, but it takes time, a conscious effort, and sticking to a personal debt repayment plan.

According to the FTC, when you see a credit repair offer, you can understand that the company behind it may not be reliable, if the company:

- Wants you to pay for credit repair services before they provide any services. Under the Credit Repair Organizations Act, credit repair companies cannot require you to pay until they have completed the services they have promised.
- Does not tell you your rights and what you can do for yourself for free.
- Recommends that you do not contact any of the three major national credit reporting companies directly.
- Tells you they can get rid of most or all the negative credit information in your credit report, even if that information is accurate and current.
- Suggests that you try to invent a “new” credit identity — and then, a new credit report — by applying for an Employer Identification Number to use instead of your Social Security number.
- Advises you to dispute all the information in your credit report, regardless of its accuracy or timeliness.

Note: If you follow illegal advice and commit fraud, you will put yourself into difficulty. It is a federal crime to lie on a loan or credit application, to misrepresent your Social Security number, and to obtain an Employer Identification Number from the Internal Revenue Service under false pretenses. You could be charged and

prosecuted for mail or wire fraud if you use the mail, telephone, or Internet to apply for credit and provide false information.

Your Rights Regarding Credit Repair

It is not possible to legally remove accurate and timely negative information from a credit report. The law allows you to ask for an investigation of information in your file that you dispute as inaccurate or incomplete. There is no charge for this. Some people hire a company to investigate on their behalf, but anything a credit repair clinic can do legally, you can do for yourself at little or no cost. According to the Fair Credit Reporting Act (FCRA):

- You are entitled to a free report if a company takes “adverse action” against you, like denying your application for credit, insurance, or employment. You have to ask for your report within 60 days of receiving notice of the action. The notice will give you the name, address, and phone number of the consumer reporting company. You are also entitled to one free report a year if you are unemployed and plan to look for a job within 60 days, if you are on welfare, or if your report is inaccurate because of fraud, including identity theft.
- Each of the nationwide consumer reporting companies – Equifax, Experian, and TransUnion – is required to provide you with a free copy of your credit report once every 12 months, if you ask for it. To order your free credit report:
 - Visit www.annualcreditreport.com
 - Call [1-877-322-8228](tel:1-877-322-8228)
- It does not cost anything to dispute mistakes or outdated items on your credit report. Under the FCRA, both the consumer reporting company and the information provider (that is, the person, company, or organization that provides information about you to a consumer reporting company) are responsible for correcting inaccurate or incomplete information in your report. To take advantage of all your rights under the FCRA, contact the consumer reporting company and the information provider.

INFORMATION ON CREDIT CARDS

Credit Card Terms

Here are some important credit card terms you should know about:

Annual Percentage Rate (APR)

The APR represents the rate of interest you are charged plus fees, expressed as a yearly rate. The APR is a significant factor in choosing a new credit card. Many new cards will offer a promotional or introductory APR that expires anywhere from six months to a year. If you plan to keep a balance on your credit card account, you want to look for a low APR. If you expect to pay your bills in full each month, it will be more important to compare the annual fee and other charges.

Fees

Check how much you will pay for annual fees or over-the-limit fees. If you have a good credit history, most credit card issuers will waive the annual fee.

Grace Period

The grace period is the number of days you have to pay your balance before a creditor starts charging interest.

Balance Computation Method

This will determine how your interest is calculated. There are a variety of methods. The most common is the average daily balance.

Terms

Before accepting the offer, always remember to look at all the terms. Pre-approved credit offers are subject to verification of income, employment, and credit history. Remember to shop for the best possible deal.

Credit Agreement

You should always be sure to read the credit agreement carefully. There may be limitations or conditions not obvious in the advertisement. For example, credit card issuers might encourage you to transfer balances from other credit cards (balance transfers). There might be hidden costs with these transactions.

Credit vs. Debit Cards

Although on average, debit card users are more aware of their purchases and tend to spend less than credit card users, they also have less legal protection when issues arise.

- **Big purchases:** Use a credit card, especially online.
- **Disputes:** If you have a problem with the purchase, you can withhold payment with a credit card. When disputing charges, credit card holders do not have to pay anything after the issuer opens up an investigation. With a debit card, the total amount is immediately withdrawn from your checking account and you will have to be reimbursed for the money.
- **Liability:** Your liability for unauthorized purchases on a debit card can be greater than for a credit card. You are responsible for up to \$50 on your credit card. With a debit card, unless you report a theft within two days from discovery, your loss can be much higher. MasterCard and Visa have zero liability policy including debit cards if a bank investigation confirms a fraudulent transaction.
- **Holds on Your Money:** Some auto rental companies, hotels, gas stations, and retailers put a hold on your checking account until debit card purchases are processed. Beware of losing access to your checking account and possible bounced checks and overdraft charges.
- **Extra Benefits:** Some credit cards offer a variety of benefits to include: travel insurance, car rental loss, damage insurance, roadside assistance, protection against damage, theft, fraud, identity theft, and extension of a manufacturer's warranty. Debit card rewards are not as generous as credit cards, and require signing the receipt instead of entering the PIN in order to receive the reward points.

Tips on Credit Cards

You can obtain a credit card from several sources including retail stores, banks, and in the mail. Retail credit cards usually have lower credit limits and higher interest rates. Banks and other financial institutions offer both secured (backed by savings) and unsecured (not secured by savings) credit cards with varying credit limits and rates. Be very vigilant about accepting credit card offers in the mail. Look at all the terms and read the fine print. Below are other important tips on getting and using a credit card:

- First, think about how you will use your credit card. Do you expect to
 - Pay your monthly bill in full?
 - Carry over a balance from month to month?
 - Get cash advances?
- Then, shop around for the plan that best fits your needs. Make sure you understand the terms of the plan before you accept the card.
- Start small. Do not charge too much on your credit card until you get comfortable with the monthly bill. Remember a credit card is not free money. It is a loan you must pay back with interest. If you do not accept a card sent in the mail, destroy it immediately by shredding or by cutting it into many pieces.
- Beware of introductory rates. You might start out with a credit card that has no annual fee for the first year, but you will be charged a fee the second year. You might start out with a low interest rate and then find the interest rate is much higher after a few months. You will find the annual percentage rate in both the introductory and disclosure sections.
- Beware of credit card issuers who require application fees. Most credit card issuers don't charge fees to open accounts.
- Make sure you understand the implications of fixed and variable rates (rates that change). It is suggested that you try to negotiate as low a rate of interest as you can get especially if the rate offered is above 15%.

Checklist for Comparing Credit Cards

Once you decide how you will use your credit card, you can use the checklist given below to compare cards (also available online at www.pueblo.gsa.gov). You will find all features in the disclosures section of all printed credit card solicitations and applications.

Feature	Card A	Card B	Card C
What are the APRs? For purchases?	_____	_____	_____
For cash advances?	_____	_____	_____
For balance transfers?	_____	_____	_____
If you pay late?	_____	_____	_____
What type of interest does the card have? Fixed or variable? Tiered?	_____	_____	_____
How long is the grace period? If you carry over a balance?	_____	_____	_____
If you pay off the balance each month?	_____	_____	_____
For cash advances?	_____	_____	_____
How is the finance charge calculated? One cycle or two?	_____	_____	_____
Including or excluding new purchases?	_____	_____	_____
Average or adjusted?	_____	_____	_____
Minimum finance charge?	_____	_____	_____
What are the fees? Annual	_____	_____	_____
Late-payment	_____	_____	_____
Over-the-credit-limit	_____	_____	_____
Set-up	_____	_____	_____
What are the cash advance features? Transaction fees	_____	_____	_____
Limits	_____	_____	_____
How much is the credit limit?	_____	_____	_____
What kind of card is it? Secured? Regular? Premium?	_____	_____	_____
Does the card offer other features? Rebates	_____	_____	_____
Frequent flier miles or reward points?	_____	_____	_____
Insurance or any other?	_____	_____	_____

NEW REGULATIONS FOR CREDIT CARD COMPANIES

Federal regulators have approved wide-ranging credit card regulation reforms that took effect in 2010. These new rules include the following reforms:

Interest Rates

Interest rate increases on existing balances are allowed only under limited conditions. For example, during the first year the interest rate may be increased only :

- When a promotional rate ends
- If the card has a variable rate
- If the minimum payment is not received within 30 days after the due date

After the first year, the issuer can increase the rate (for any reason) for future purchases 45 days after notifying the credit card holder.

Monthly Payment Periods

The monthly payment periods will have to be more reasonable. The payment periods will be at least 21 days after the statements or bills are mailed or delivered. In addition, due dates and times will have to be set at more reasonable times and days. For example, the cut off times for payments set before 5:00 pm on the due dates or on a weekend will be considered unreasonable. If the issuers set due dates on a holiday or a weekend and do not accept mailed payments on those days, they will not be able to consider those payments received on the next business day as late.

Balances with Different Interest Rates

A new rule will mandate the credit card companies to apply the credit card holder's payments more fairly to the balances with different interest rates. The payments in excess of the minimum amounts must be applied in one of the following ways:

- Apply the entire amount to the balance with the highest APR
- Split the payment proportionally among the balances

Over-the-limit Fees

Over-the-limit fees are prohibited if the card holder goes over the credit limit because of the holds or blocks that are placed on the credit card. The holds or blocks are put on the credit cards usually to reserve rental cars or hotel rooms.

While a hold is in effect, the amount of available credit on the account is reduced. It may take several days or more to release these holds. Meanwhile, consumers may be charged over-the-limit fees when they make additional charges that cause them to exceed their limits.

New Rules for Subprime Credit Cards

The subprime credit cards are designed for those with little credit history or bad credit. These types of credit cards typically carry higher fees and interest rates to offset the increased risk involved with subprime lending. The current practice of charging these types of credit card holders for account-opening is banned if issuers charge upfront security deposits and fees that are more than 50% of the credit limit. In addition, the subprime credit card holders will have the option to opt-out if they have not used their accounts.

Debit Cards

Beginning in July 2010, new bank customers will no longer be able to overdraw when using their debit cards, and banks must get a signed form before enrolling anyone in an overdraft protection plan.

Prepaid and Gift Cards

Starting in August 2010, the new credit card rules require a pre-purchase statement of fees for gift cards, reloadable prepaid cards, and gift certificates. It also mandates a minimum of five years before the card expires.

Student Cards

The Credit Card Act prohibits credit card companies from marketing to students at college campuses, and any individual under the age of 21 must have a parent cosign or provide proof of income to obtain a credit card.

Disputing Information Directly with the Reporting Company

Starting July 2010, consumers can dispute information, and the involved business must open an investigation and respond within 30 days. Also, creditors now must inform consumers, either by sending a letter or providing a free credit report, especially if something creates less favorable terms in their reports.

Mandatory Oral Disclosures

All oral disclosures, such as marketing credit cards over the phone, have to include information about how much available credit will be left on a credit card if upfront account opening fees are charged. This impacts people with bad credit who apply for subprime credit cards. Consumers often find out later that their credit limit has been reduced due to the charges for security deposits and other fees even before the card is used for the first time.

Mandatory Disclosures on Credit Card Offers

With this rule the issuers will have to inform future customers about the factors that will determine which interest rates or credit limits they will receive. This will help to eliminate the shock that consumers experience when they are told low interest rates in advertisements, but are faced with much higher interest rates when they actually apply for the credit cards.

New Rules for Credit Terms

All documents including credit card applications, monthly statements, and so forth will clearly show credit terms in boxes with large type. Credit card issuers have to disclose the consequences of only making minimum payments each month. For example, "Paying only the minimum amount due will result in a much longer payback of the credit card balance." Terms such as "grace period" or "fixed rate" will have to be clearly explained on credit card applications and solicitations by using uncomplicated language. Monthly statements will also have to provide year-to-date totals on the amounts paid in fees, interest and other charges.

Double (Two)-Cycle Billing

This rule prohibits credit card companies from charging interest on amounts already paid, through double (two)-cycle billing. With two-cycle billing, the credit card companies use two months to calculate the average daily balance, which creates a disadvantage for card holders.

Universal Default

The practice of raising interest rates for customers based on their payment records with other lenders or companies (such as utility companies) will be stopped. This practice, also called "universal default," has been already discontinued voluntarily by some of the large credit card companies.

WHAT TO DO IF YOUR WALLET IS LOST OR STOLEN

- File a report with the police in the jurisdiction where the theft occurred as soon as possible. Keep a copy of the report. Your bank or insurance company may need proof of the crime.
- If only your driver's license is stolen, call the state motor vehicles agency to request a new license with a new driver's license number. Have a fraud report attached to your driving record. Request a limit to access to personal information on your driver's license under the Driver Privacy Protection Act.
- Report missing credit cards to each of your credit card accounts and the major credit reporting agencies:
 - Equifax: 1-800-525-6285
 - TransUnion: 1-800-680-7289
 - Experian: 1-888-397-3742
- Cancel your credit cards and send a certified, return-receipt letter to each person or agency contacted stating why you are closing the account. Get new cards with different numbers and passwords. Place fraud alerts on all accounts and ask creditors to contact you prior to opening new accounts.
- Report the loss to your bank. You may want to open new checking and savings accounts and stop payment on any lost checks. There are time limitations at your bank for reporting your loss (this includes an ATM or debit card) to reduce your liability. Get new ATM and debit cards.
- Contact the major check verification companies to request that they notify stores that use their databases not to accept these checks. You can also ask your bank to notify the check verification service with which it does business. Two of the check verification companies that accept reports of check fraud directly from consumers are:
 - TeleCheck: 1-800-710-9898
 - Certegy Check Services: 1-800-437-5120

Note: Remember to make copies of all documents in your wallet and keep them in a safe place. When they get stolen or lost, then you will know who to call. This will save you time and money.

HOW TO PREVENT IDENTITY THEFT

The Bureau of Justice Statistics in Washington, D.C., defines identity theft in three ways:

1. Unauthorized use of a credit card
2. Unauthorized use of an existing account such as a cell phone or bank account
3. Misuse of someone's personal information to open a new account, get a loan, or commit some other crime.

With identity theft, thieves use personal information about you such as your Social Security number, credit card numbers, or other information for illegal purposes. They might take it from your wallet, purse, mailbox, trash, or any other means.

First Signs of Identity Theft

You may not realize that your identity has been stolen until the following may occur:

- You are denied credit for no good reason
- You are turned down for a job
- You receive bills for purchases you did not make
- Bills you were expecting do not arrive
- Collection agencies contact you about debts you did not incur

How to Protect Yourself from Identity Theft

- ✓ Never leave your receipts, credit card number, or Social Security number anywhere for others to steal.
- ✓ Pay attention to your financial documents, credit card, telephone, cell phone, and bank statements. Look for irregularities. Always review your credit card statements on the day you receive them. If any charges are not yours, contact the credit card company immediately. If your bills do not arrive on time, contact your creditor. A missing credit card bill may mean that the identity thief has changed billing address and is using your account.
- ✓ Make a list of all credit/debit cards including phone numbers so you can report them in case they are lost or stolen.

- ✓ As a debit card holder: Sign up for online banking, paperless statements, and alert text messaging to inform you of any activity on your account.
- ✓ Limit the number of credit and debit cards under your name.
- ✓ Guard your mail from thieves. Pick up your mail from your mailbox as soon as possible. Place outgoing mail directly at the post office or in post office collection boxes.
- ✓ Do not give out personal information over the telephone or through the mail unless you have initiated the contact and know with whom you are dealing. Thieves may pose as bankers, government officials, or others to get you to reveal your Social Security number or bank account number.
- ✓ Keep items with personal information safe. When you throw away receipts, credit card applications, physician statements, expired credit cards, and old checks or statements, make sure to shred them preferably using a cross-cut shredder. Never leave receipts at bank machines, gasoline pumps, restaurants, or other public places.
- ✓ When you make up your Personal Identification Number (PIN) for your credit, ATM, or debit card, do not use something a thief might easily acquire by guessing, such as birth date or Social Security number.
- ✓ Try to use a credit card instead of a debit card when shopping online, since credit cards are better protected against theft.
- ✓ Pay attention at the ATM when swiping your debit card. If you see any suspicious equipment, do not use that machine, and report it as soon as possible.
- ✓ Block the screen and keyboard when making an ATM transaction.
- ✓ Order a copy of your credit report at least once a year from www.annualcreditreport.com. Catch mistakes and fraud before they ruin your personal finances.
- ✓ When writing a check for a credit card payment, do not write the entire account number on the check. Just write the last four numbers. Remove

personal information such as your telephone numbers from your printed checks.

- ✓ If possible, avoid using your Social Security number as your work identification number. Offer another piece of identification instead, such as a driver's license number. Your employer needs the number to pay you and for wage and tax reporting purposes, but be careful displaying it on company badges. If it is service you need and a Social Security number is required, ask why the number is needed, how it will be used, and how they will protect the number from being stolen.
- ✓ Protect your computer by installing a firewall and regularly updating virus-protection software. Shop only on secure websites. Do not open files sent by strangers.
- ✓ If you receive an e-mail with an offer that is too good to be true, type in the website of the company rather than clicking on the link in that e-mail.
- ✓ When setting up a wireless network for your home or business, make sure that the encryption is either WPA or WPA2 (Wi-Fi Protected Access). Always set your network on private.
- ✓ Before disposing of a PC, remove personal information. Do not store your financial information on a laptop unless absolutely necessary. If you do, use a password with a combination of symbols, numbers, and upper and lower case letters.
- ✓ Some states, including Florida, have enacted an extreme measure called a "credit freeze" that asks a credit reporting agency such as Equifax, Experian, and TransUnion not to disclose your credit scores, history, or information without your permission. This is intended to try to prevent thieves from getting credit in your name. You should check the website for each of the three credit agencies for instructions. You have to make the request over the phone or in writing, provide personal information, and pay fees to both place and remove a freeze. The fee is waived if you are age 65 or older or if you have documentation from a law enforcement agency that you have been a victim of identity theft.

Note: A freeze on your report is a complete block of your information to everyone except for certain exemptions listed by each credit bureau such as law enforcement agencies, a current credit card issuing company, or a financial institution. The credit bureau has three business days to have your freeze temporarily “lifted” or “thawed” when you use a special password or personal information number (PIN) assigned to you. This can be done if you plan to make a purchase that requires access to your credit information. A security freeze remains in place until you request it to be removed. A security freeze is not for you if you anticipate needing timely approval of loans, insurance, utilities, services, rental housing, or other types of instant credit.

If You Are a Victim of Identity Theft

1. Immediately take action and contact the creditor or the bank. Notify their fraud department about the fraudulent activity. If the bank or the creditor calls to notify you of the fraudulent account before you give out any information, ask for their name and verify. Ask the bank or creditor what process the company requires to clear the fraudulent activity from your name. This most likely will include a copy of the police report, a fraud affidavit, copies of two separate utility bills, and a copy of your driver’s license.
2. Contact the three major credit reporting agencies to place a fraud alert on your credit reports, and order your complementary credit report. The biggest waste of time is talking with the wrong people. Keep in mind that whenever possible you want to speak with someone on the investigative or fraud side of a company or governmental agency. Please review your credit reports to identify all fraudulent accounts.
 - Equifax: 800-525-6285
 - Experian: 888-397-3742
 - TransUnion: 800-680-7289
3. Contact your local law enforcement to make a police report. You will want to order a copy of that police report.
 - Florida AG's ID Theft Hotline:
Phone: 866-966-7226 (FL Residents), 850-414-3990 (Outside FL)
Website: www.myfloridalegal.com/identitytheft

4. Send a fraud affidavit package certified with return receipt to the credit bureaus, the bank, or creditor(s). This fraud package most likely will include a police report, a fraud affidavit, a copy of a utility bill, and a copy of your driver's license. You will also want to request copies of the application and the transaction records, a letter of clearance, and for this account to be removed from your credit reports.
5. Get a copy of Florida's Identity Theft Victim Kit.
 - Website: www.myfloridalegal.com/identitytheft
6. Report the identity theft crime and seek advice by calling the Federal Trade Commission (FTC) on restoring your name and getting your identity back.
 - Identity Theft Hotline: [1-877-IDTHEFT](tel:1-877-IDTHEFT) (1-877-438-4338)
7. Contact the Fraud Section of the Florida Department of Highway Safety and Motor Vehicles to request a flag be placed on your driver's license as a victim of identity theft.
 - Phone: [1-800-488-4579](tel:1-800-488-4579)
8. Contact the Postal Inspection Service if you suspect that someone has used a change-of-address form with the post office to redirect your mail.
 - Phone: [1-877-876-2455](tel:1-877-876-2455)

Your Rights Regarding Identity Theft

1. You have the right to have a police report taken. Many states do not have a specific law about this but if you are persistent, you should be able to get a report in the jurisdiction where you live. With a police report you are entitled to:
 - A seven-year fraud alert
 - A credit freeze in the states that have adopted this procedure into law
 - Have inaccurate or fraudulent information blocked from your credit report
 - Receive a copy of all application and transaction records on accounts opened fraudulently in your name
2. You have the right to have the account removed from your credit report, once you have provided evidence showing that the account is fraudulent. This includes any collection actions or inquiries.

How to Request a “Fraud Alert” to Be Placed on File

You have the right to ask that nationwide consumer credit reporting companies place “fraud alerts” in your file to let potential creditors and others know that you may be a victim of identity theft. A fraud alert can make it more difficult for someone to get credit in your name because it tells creditors to follow certain procedures to protect you. It also may delay your ability to obtain credit. You may place a fraud alert in your file by calling just one of the three nationwide consumer credit reporting companies. As soon as that agency processes your fraud alert, it will notify the other two, which then also must place fraud alerts in your file.

To place a fraud alert on your file contact the following agencies:

- Equifax: 1-877-576-5734, www.alerts.equifax.com
- Experian: 1-888-397-3742, www.experian.com/fraud
- TransUnion: 1-800-680-7289, www.transunion.com

An initial fraud alert stays in your file for at least 90 days. An extended alert stays in your file for seven years. To place either of these alerts, a consumer credit reporting company will require you to provide appropriate proof of your identity, which may include your Social Security number. If you ask for an extended alert, you will have to provide an identity theft report. An identity theft report includes a copy of a report you have filed with a federal, state, or local law enforcement agency. For more detailed information about the identity theft report:

- Website: www.ftc.gov/idtheft

OTHER TYPES OF SCAMS AND ILLEGAL PRACTICES

Unfortunately, in today's complicated world of advanced technology, there are individuals who have discovered ways to accrue wealth at someone else's expense. They use information that we used to feel safe about to confound, confuse, and disrupt our lives. Only through knowledge, diligence, and prevention can we protect ourselves and our families from an array of predators who want to benefit themselves financially and, therefore, harm us. The following are examples of the kinds of scams that are being perpetrated on the public:

Phishing

Phishing is an Internet piracy where thieves are "fishing" for your personal information. Phishers send fake or forged electronic documents via e-mail to try to get consumers to update or validate personal information such as passwords, Social Security numbers, bank accounts, credit card information and so forth. They claim to be from banks, online auction sites, legitimate government agencies, businesses or organizations that you deal with. Threats of dire consequences are often used to encourage you to divulge personal information. Do not open these e-mails. They may want to use your credit card number to run up bills, take out loans in your name, or remove money from your checking account.

Spoofing

Phishers use their fake e-mails to direct you to a "spoofed" or fake website that looks like a real website with authentic logos. The spoofer tries to get the network information from your browser and the fake website to go through his or her machine to get your personal information. Sometimes it is safer to not use a link in an e-mail to visit a website. Type it in yourself.

Skimming

Skimming occurs when your information is transferred to a magnetic reader. When you give your credit card to someone out of your sight, he or she can skim the numbers into a magnetic reader. Some skimmers install the readers over the card slot of a cash machine. If something looks amiss at a cash machine, do not use it.

Solicitations

Be very careful when anyone from a bank or mortgage company calls you offering a lower loan rate if you will verify your information such as account numbers. Hang up. Contact the lender directly regarding any unusual request. Beware of e-mail

and telephone solicitations that offer instant rewards or prizes based on your giving personal information.

Imposters

Criminals may try to trick you into divulging information. Agencies such as the Internal Revenue Service will not ordinarily call you or send you an e-mail asking for Social Security information or credit card numbers for you to receive your income tax refund. If it looks suspicious or strange, don't participate by giving personal information.

Investment Frauds

The majority of investment fraud involves individuals who are not licensed or not registered, selling unregistered securities. As an investor, always play the detective before investing any money. Research the broker and find out if that individual is registered as a broker-dealer and has been active for two years. The Financial Industry Regulatory Authority provides information on brokers via its FINRA BrokerCheck link on its website www.finra.org.

Internet Auction Frauds

Auction fraud involves scams attributable to the misrepresentation of a product advertised for sale through an Internet auction site or the non-delivery of products purchased through an Internet auction site. To avoid these kinds of frauds:

- ✓ Understand as much as possible about how the auction works, what your obligations are as a buyer, and what the seller's obligations are before you bid.
- ✓ Find out what actions the website/company takes if a problem occurs and consider insuring the transaction and shipment.
- ✓ Learn as much as possible about the seller, especially if the only information you have is an e-mail address. If it is a business, check the Better Business Bureau (www.bbb.org) where the seller/business is located.
- ✓ Examine the feedback on the seller.
- ✓ Determine what method of payment the seller is asking from the buyer and where he/she is asking to send payment.
- ✓ If a problem occurs with the auction transaction, it could be much more difficult if the seller is located outside the U.S. because of the difference in laws.

- ✓ Ask the seller about when delivery can be expected and if there is a problem with the merchandise if it is covered by a warranty or if you can exchange it.
- ✓ Find out if shipping and delivery are included in the auction price or are additional costs so there are no unexpected costs.
- ✓ There should be no reason to give out your Social Security number or driver's license number to the seller.

Recommended Resources for Identity Theft, Other Crimes, and Frauds

If you need assistance, the following are online and other resources on identity theft and other economic crimes:

- To remove your name from lists sold to credit card companies by the credit reporting agencies, call 1-888-567-8688 to submit your request or register at www.optoutprescreen.com.
- To stop mail solicitations from more than 5,000 member companies of the Direct Marketing Association, write to the DMA Mail Preference Service, P.O. Box 9008, Farmingdale, NY 11735, and to the DMA Telephone Preference Service, P.O. Box 9014, Farmingdale, NY 11735. Ask to have your name removed from their contact lists. Include your name, address, telephone number and signature with your request. For more information, visit www.dmachoice.org or call 1-800-407-1088.
- To stop unwanted telephone solicitations, call the National Do Not Call Registry, sponsored by the Federal Trade Commission, at 1-888-382-1222 or visit www.donotcall.gov.
- To report fraudulent use of your identification information, call the Social Security Administration's Fraud Hotline at 1-800-269-0271.
- To order the Federal Trade Commission's guide to preventing and recovering from identity theft, visit www.ftc.gov/idtheft.
- For lists of different types of fraud, visit U.S. Postal Inspection Service and FBI website www.lookstoogoodtobetrue.com.

- To find locations on where to report business and consumer complaints, check out the Division of Consumer Services' A-Z Resource Guide at www.800helpfla.com/azguide.html.
- Identity Theft Resource Center has tips for ID theft victims. For more information, visit www.idtheftcenter.org.
- Visit the Florida Attorney General's website on ID theft at <http://myfloridalegal.com/identitytheft> or call the Fraud Hotline at [1-866-966-7226](tel:1-866-966-7226). For more information regarding senior citizens, the Attorney General's office also provides www.seniorsvscrime.com.
- To remove your name from official records on publicly available Internet websites or in a court file, contact your County Clerk, County Recorder, or County Records Division at www.flclerks.com.
- To request removal of your Social Security, bank account, credit, debit, or charge account number from images on county public information, find and contact your local county clerk at www.flclerks.com. For Miami-Dade County, call [305-275-1155](tel:305-275-1155). For Broward County, call [954-831-4000](tel:954-831-4000). For Palm Beach County, send an e-mail to clerkweb@mypalmbeachclerk.com or call [561-355-2996](tel:561-355-2996).

WHAT TO DO IF YOU LOSE YOUR JOB

If you have lost your job, there are things you can do to ease some of the difficulties you might face while you are unemployed.

- Apply for unemployment benefits immediately. Visit www.floridajobs.org or call [1-850-245-7105](tel:1-850-245-7105) for more information.
- Then, call your lenders to renegotiate interest rates and to discuss your new situation to see if there is anything that can be done about future payments.
- Check the rest of your finances. Prioritize your bills. Food, clothing, shelter and medical care are your most important bills. Review your budget plan (the income/expense sheet on pages 8 and 9) and revise your spending habits to save extra cash for urgent needs and debts (see pages 13-15).
- Try to avoid taking on any more debt. Consider getting financial counseling to help with the payment plans when you are involuntarily out of work. If you have not lost your job, but you think you might soon, consider also getting credit insurance to help with the payments when you lose your job.
- Update or create a resume. Some nonprofit organizations like South Florida Workforce offer help with resumes and interview skills.
- Networking is important. Tell all your friends and family that you are looking for a job. Have your business cards with you everywhere you go and distribute them to everyone you meet.
- Mourn the loss, but move on quickly by making searching for a job your new full-time job. Never stop searching, even if you get a severance package from the previous job. The timing can be critical to your job search.
- Evolve and develop yourself by gaining new skills, especially in a troubled economic climate.
- Keep an open mind. Freelance or part-time work might be all you can find, yet those might be good transitional work experiences.

RECOMMENDED RESOURCES

Credit Reports

Annual Free Credit Report

1-877-322-8228 • www.annualcreditreport.com

Experian

1-888-397-3742 • www.experian.com

Equifax

1-877-726-7311 • www.equifax.com

TransUnion

1-800-888-4213 • www.transunion.com

FICO

1-800-319-4493 • www.myFICO.com

Fraud

To report identity theft

Identity Theft Hotline: 1-877-IDTHEFT (1-877-438-4338)

To place a fraudulent alert on file

Equifax: 1-877-576-5734 • www.alerts.equifax.com

Experian: 1-888-397-3742 • www.experian.com/fraud

TransUnion: 1-800-680-7289 • www.transunion.com

Counseling for Debt Management

Consumer Credit Counseling Service

1-800-355-2227, 305-893-5550 • www.credit-counseling.org

Consumer Action – Credit Management and Consumer Rights

www.consumer-action.org

Counseling for Foreclosures

The Department of Housing and Urban Development

800-569-4287 • www.hud.gov

Credit Counseling

National Foundation for Credit Counseling (NFCC)

1-800-388-2227 • www.nfcc.org

The Association of Independent Consumer Credit Counseling Agencies (AICCCA)

1-800-450-1794 • <http://aiccca.org>

Home Buying

Fannie Mae Foundation

www.fanniemae.com/homebuyers

Consumer Protection

Better Business Bureau

1-703-276-0100 • www.bbb.org

Consumer Products and Buying Guide

www.consumerreports.org

Banking, Money, and Investment Options

www.bankrate.com

Everyday Consumer Issues

Federal Citizen Information Center Phone

1-800-333-4636 • www.pueblo.gsa.gov

Debit Card and Identity Theft

Privacy Rights Clearinghouse

www.privacyrights.org

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