

QUICK CONSUMER TIPS

As a savvy consumer, you should always be on the alert for shady deals and scams. To protect your money and avoid being a victim of fraud, keep these things in mind:

- 1. A deal that sounds too good to be true usually is!** Offers that often fall into this category are promises to fix your credit problems (p. 14), low-interest credit cards (p. 12), deals that let you skip credit card payments (p. 12), business/job opportunities (p. 19), risk-free investments (p. 35), and free travel (p. 44).
- 2. Extended warranties or service contracts are rarely worth what you pay for them.** See page 2 for questions you should ask before you say yes to one of these contracts.
- 3. Say no to credit insurance offers.** Often offered with credit cards, car loans and home mortgages, it is almost always better to purchase regular property, life, or disability insurance (p. 28).
- 4. There is no universal three-day cooling-off period.** Don't be misled into thinking that you have an automatic three days to cancel a purchase. Only a few types of contracts give you a right to cancel. See 3-Day Cooling-Off Rule (p. 42).
- 5. Think twice before sharing personal information.** Protect your privacy and avoid unauthorized use of your personal information by following the advice on page 39.
- 6. Beware of payday and tax refund loans. Interest rates on these loans are usually excessive.** Even a high-interest cash advance on a credit card could be a better option. For more information on these costly credit options, see page 16.
- 7. Not all plastic cards offer the same protections.** Your liability for the unauthorized use of a gift card (prepaid cards p. 4) and debit/ATM card (p. 3) may be much higher than the \$50 maximum on your credit card.
- 8. Real estate agents represent the seller, not the buyer.** When buying, consider hiring an agent or lawyer who represents you (p. 23).
- 9. Home improvement (p. 25) and auto repairs (p. 10) are the subject of frequent complaints.** Second opinions are especially important when you are dealing with a repair service you do not know.
- 10. Think twice before you rent-to-own. Interest rates on rent-to-own purchases can be very high.** If you miss a payment, you could end up with nothing. Consider other options such as buying second-hand at a thrift shop or through ads in your local newspaper.
- 11. Don't buy under stress.** Research suggests senior citizens, people in crisis (e.g., coping with a death or debt), college students, small business owners, minorities, and immigrants are especially at risk of being victimized. Avoid making big-ticket purchases during times of duress.
- 12. Be cautious of Buy Here, Pay Here lots.** If you decide to buy a car from a used car lot, be sure to read all of the papers before you sign. Don't sign contracts that allow the dealership to change the finance rate AFTER you leave the lot.
- 13. Work-at-Home ads usually don't pay off.** Be especially wary of ads that promise huge annual salaries; they often require expensive upfront fees with no guarantee. You risk losing your money and wasting a lot of time and energy.

TIPS FOR USING THIS HANDBOOK

PART I — BE A SAVVY CONSUMER

Read this section for general advice on shopping for goods and services, as well as an explanation of your consumer rights and responsibilities. Learn ways to spot scams and better arm yourself against fraud. The Table of Contents (p. ii) and the Index (p. 166) will help you quickly locate specific topics and information.

PART II — FILING A COMPLAINT

Turn to this section for suggestions on resolving consumer problems. No matter which industry or service, the basic steps for resolving consumer complaints are the same. The sample complaint letter on page 55 will help you present your case.

PART III — KEY CONSUMER INFORMATION RESOURCES

Look here for a list of public resources you can use to find useful consumer publications, tips, guides, reviews, links and services. You can quickly access a world of practical and helpful information.

PART IV — CONSUMER ASSISTANCE DIRECTORY

The directory includes contact information for corporate offices, consumer organizations, trade groups, government agencies and other sources of assistance.

VISIT US ONLINE

A searchable version of this Handbook is available online at www.ConsumerAction.gov and in Spanish at www.Consumidor.gov.

PART I — BE A SAVVY CONSUMER

Before you spend another dollar, invest a few minutes reading this section of the Handbook, which brings together essential consumer information from federal agencies and various consumer organizations to help you make smart choices and avoid scams.

GENERAL BUYING TIPS

BEFORE YOU BUY

To avoid problems and make better decisions, use this checklist **BEFORE** you make a purchase.

- Decide in advance exactly what you want and what you can afford.
- Don't buy on impulse or under pressure. This includes donating to charity. Do your research.
- Ask family, friends and others you trust for advice based on their experience. Gather information about both the seller and the item or service you are purchasing.
- Review product test results and other information from consumer experts. See **General Resources** in Part III (p. 56) or check the Handbook Index (p. 166) for more information.
- Get advice and price quotes from several sellers.
- Make sure that the seller has all appropriate licenses. Doctors, lawyers, home improvement

contractors and many other service providers must register with a state or local licensing agency (p. 127).

- Check out a company's complaint record with your local consumer affairs office (p. 127) and Better Business Bureau (p. 65).
- Get a written copy of guarantees and warranties. Compare their features.
- Get the seller's refund, return and cancellation policies.
- Ask who to contact if you have a question or problem.
- Read and understand any contract or legal document you are asked to sign. Make sure there are no blank spaces. Insist that any extras you are promised be put in writing.
- Consider paying by credit card. If you have a problem, you can dispute a charge made on your credit card (p. 12).

SERVICE CONTRACTS & EXTENDED WARRANTIES

Sellers of cars, major appliances and other expensive items may try to sell you a service contract or "extended warranty." Service contracts can add hundreds to your purchase price and are rarely worth the cost. Some duplicate warranty coverage you get

REFERENCE FOR RECALLS

- www.Recalls.gov lists government-initiated recalls, which are gathered from federal agencies.
- www.pueblo.gsa.gov lists both government and industry-initiated recalls.
- www.nhsta.gov lists recalls and safety information on vehicles and equipment.

automatically from a manufacturer or dealer. Ask these questions before you agree to one of these contracts:

- Does the dealer, the manufacturer, or an independent company back the service contract?
- How are claims handled? Who will do the work and where will it be done?
- What happens to your coverage if the dealer or administrator goes out of business?
- Do you need prior authorization for repair work?
- Are there any situations when coverage can be denied? You might not have protection from common wear and tear. Some manufacturers do not honor contracts if you fail to follow their recommendations for routine maintenance.

PRODUCT SAFETY RECALLS

Ready to buy a used vehicle or other second-hand product? Check to be sure it hasn't been recalled for safety reasons. Some recalls ban the sale of an item while others ask consumers to return the item for replacement or repair. Sometimes a seller provides a part that reduces the danger of using the product.

IDENTIFYING AND STOPPING FRAUD

Fraud by telephone, Internet and mail is a serious international problem. Con artists can steal your money, your identity and even your self-respect. Protect yourself by looking for these warning signs:

- Someone asks you to send money to claim a lottery or prize or to obtain a credit or loan.
- Someone you don't know requests that you send money via wire transfer, the most common way fraud criminals obtain money from victims. There is **NO** legitimate reason for someone who claims to be giving you money to ask you to wire money back.
- An unknown caller claiming to be a lawyer or in law enforcement offers to help you get your money back (for a fee).
- The deal is only good for today or a short period of time.
- The seller offers "free gifts" in return for a minimum effort or a fee.

- A "repair person" suddenly finds a dangerous defect in your car or home.
- You are given little or no time to read a contract.
- A sale item is suddenly unavailable but a "much better item" is available for slightly more money.
- Someone is trying to scare you into purchasing credit protection plans.
- The solicitation looks like a government document and suggests you can claim contest winnings or unclaimed assets for a small fee. The government doesn't solicit money from citizens.
- You are asked for your bank account or credit card number.

GENERAL TIPS FOR AVOIDING FRAUD

Don't give out personal information. This includes your Social Security number, credit card and bank account details, date of birth, etc.

Have a plan. Having a plan for terminating a potentially fraudulent interaction is one of the best ways to protect yourself. Develop a refusal script to politely get off the phone, such as, "I'm sorry. This is not a good time."

THE BEST WAY TO HELP STOP FRAUD IS TO REPORT IT
If a scam artist has contacted you or if you've been defrauded, contact the FTC (p. 119). The FTC gathers evidence, identifies fraud trends and alerts law enforcement throughout the U.S., Canada and abroad. By reporting your experience, you can prevent others from becoming victims.

AFTER YOU BUY

What you do after you buy can be as important as what you do before you buy. These steps will help you avoid, as well as deal with, any problems that might pop up.

- Save all the papers you get with your purchase. Keep all contracts, sales receipts, canceled checks, owner's manuals and warranty documents.
- Read and follow product and service instructions. The way you use or take care of a product will affect your warranty rights.

BANKING**ATM/DEBIT CARDS**

With a debit card and personal identification number (PIN), you can use an Automated Teller Machine (ATM) to withdraw cash, make deposits, or transfer funds between accounts. Some ATMs charge a fee

BANKING

if you are not a member of the ATM network or are making a transaction at a remote location.

Retail purchases can also be made with a debit card. You enter your PIN or sign for the purchase. Some banks charge customers a fee for debit card purchases made with a PIN. Although a debit card looks like a credit card, the money for the purchase is transferred immediately from your bank account to the store's account. When you use a debit card, federal law also does not give you the right to stop payment. You must resolve the problem with the seller.

If you suspect your debit card has been lost or stolen, immediately call the card issuer. Many companies have toll-free numbers and a 24-hour service to deal with such emergencies. While federal law limits your liability for a lost or stolen credit card to \$50, your liability for unauthorized use of your ATM or debit card can be much greater, depending on how quickly you report the loss.

- If you report a debit card missing before it is used, you are not responsible for any unauthorized withdrawals.
- Your liability is limited to \$50 if you report the loss within two business days after you realize your debit card is missing and to \$500 if you report the loss after two but before 60 days.



- If you have not reported an unauthorized use of a debit or ATM card 60 days after your bank mails the statement documenting the unauthorized use, you could lose all the money in your bank account as well as the unused portion of your line of credit established for overdrafts.

Check the policies of your card issuer. Some offer more generous limits on a voluntary basis.

PREPAID CARDS

Prepaid cards issued by banks and other government-regulated organizations are a new way for consumers to make payments and conduct other financial transactions. There are plenty of situations where a prepaid card might be the most convenient choice, but

TIPS FOR BUYING GIFT CARDS

- Read the fine print before you buy. If you don't like the terms and conditions, buy elsewhere.
- Ask about expiration dates and fees. The information may appear on the card itself, the accompanying sleeve or envelope, or on the issuer's website or another custom website. If you don't see it, ask for it in writing. Give the information to the recipient to help protect the value of the card. It's also a good idea to give the recipient the original receipt to verify the card's purchase in case it is lost or stolen.
- Consider purchase fees. Is there a fee to buy or activate the card? If you buy the card online or on the phone, is there a fee for shipping and handling? Does expedited delivery cost more?
- Consider fees for the recipient. It might be embarrassing to give a \$50 gift card to someone if the fees significantly reduce its value.
- Check where and how the card may be used. For example, can the card be used to get cash from ATMs? Can it be used at merchants outside the U.S.?

TIPS FOR USING GIFT CARDS

- Read the terms and conditions as soon as you get the card and check the expiration date.
- Record the card's ID number and the customer service telephone number, and keep the information in a safe place until you've spent all of the money on the card.
- If you didn't get the card's terms and conditions or original receipt, ask for them from the person who gave you the card.
- Take care to safeguard your card. If it is lost or stolen, report it to the customer service number immediately, supply the ID number, and request a replacement.
- Spend the value on your card before the maintenance fees start. If your card expires before you've had the chance to exhaust its value, contact the customer service number. It might be possible to extend the date, although you may be charged a fee.

be sure you understand the key terms and conditions BEFORE you buy. Ask these questions when you are considering a prepaid card:

- What are the possible fees associated with using the card?
- Where can the card be used (online, at ATMs, outside the U.S.)?

Reputable distributors of prepaid cards will give you the terms and conditions in writing or have them available on their website. If you don't understand how your card works, ask for help where you purchased it, from your employer (if it's a payroll card), or by contacting the customer service number on the card.

While the federal government does not guarantee the same protections for all prepaid cards, many "branded" cards voluntarily carry protections that are the same as credit and debit cards. Cards with a major credit card brand logo provide consumer protections, such as replacing lost or stolen cards and re-crediting money after unauthorized use of the card. To obtain these benefits, you must follow the instructions for registering and activating your card. Be sure to record your card information, including the customer service telephone number on the back of the card, so you can get a replacement if yours is lost or stolen.

If you have a problem with a prepaid card, first contact the customer service number. If the problem still isn't resolved, you may want to file a complaint with the proper authorities:

- For cards issued by retailers, contact the FTC (p. 119). You may also file a complaint with your local consumer protection office (p. 127)
- For cards issued by national banks, contact the Comptroller of the Currency (p. 116).

SAVINGS AND CHECKING

When it comes to finding a safe place to put your money, there are a lot of options. Savings accounts, checking accounts, certificate of deposits and money market accounts are popular choices. Each has different rules and benefits that fit different needs. When choosing the one that is right for you, consider:

- **Minimum deposit requirements.** Some accounts can only be set up with a minimum dollar amount. If your account goes below the minimum, no interest is paid or you are charged extra fees.
- **Limits on withdrawals.** Can you take money out whenever you want? Are there any penalties for doing so?
- **Interest.** How much (if anything) is paid and when: daily, monthly, quarterly, yearly? To compare rates offered locally to those from financial institutions around the nation, visit www.bankrate.com.

PAYROLL AND GENERAL PURPOSE SPENDING CARDS

Payroll and General Purpose Spending Cards can be very useful for those who want to budget their money and for those who don't have a checking account or credit card.

General Purpose Spending Cards, which may be purchased by consumers, typically charge a monthly maintenance fee and could charge additional fees for adding funds to the card and/or making purchases or getting cash.

Payroll Cards are similar to General Purpose Spending Cards except that they are provided by employers in place of paychecks. Payroll Cards typically allow a certain number of ATM withdrawals without charge to the cardholder and usually do not assess fees for purchases.

- **Deposit insurance.** Look for a sign that says your money is protected by the Federal Deposit Insurance Corporation (p. 119). Credit union accounts have similar protection from the National Credit Union Administration (p. 120).
- **Convenience.** How easy is it to put money in and take it out? Are there tellers or ATM machines close to where you work and live? Or would you receive most of your service via the telephone or Internet? Can you make direct deposits and other electronic transfers?

If you are considering a checking account or another type of account with check-writing privileges, add these items to your list of things to think about:

- **Number of checks.** Is there a maximum number of checks you can write per month? If you write more, what is the charge?
- **Amount of check.** Is there a minimum or maximum amount for any one check?
- **Account and check fees.** Is there a monthly fee for the account or a charge for each check you write? Some accounts only charge a fee if you write more than a certain number of checks per month.
- **Holds on checks.** Is there a "hold" or waiting period before you can access the money you deposit in your account? There may be a longer hold period for out-of-state checks.
- **Overdrafts.** If you write a check for more money than you have in your account, what happens? You may be able to link your checking account to a savings account to protect yourself. There could also be high fees for "bounced" checks (from you or written to you). Bounced checks can blemish your credit record so it's better to be covered.

IF YOU HAVE A BANKING PROBLEM

A number of federal, state and local agencies regulate financial institutions.

State chartered banks and trust companies that are members of the Federal Reserve System are covered by the Federal Reserve System (p. 119)	State chartered banks that are members of the Federal Reserve System are regulated by the Federal Deposit Insurance Corporation (p. 119)	State chartered banks are also regulated by state banking authorities (p. 143)
Banks with National in the name or N.A. after the name are regulated by the Comptroller of Currency, U.S. Department of the Treasury (p. 117)	Federal savings and loans and federal savings banks are regulated by the Office of Thrift Supervision, Department of the Treasury (p. 117)	Federally chartered credit unions are regulated by the National Credit Union Administration (p. 120)

CHECK 21

The new Check Clearing for the 21st Century Act (often referred to as Check 21) allows banks to clear checks electronically instead of exchanging actual paper checks. Banks no longer have to return original checks with your monthly statements or even when there is a problem with a particular check. Check 21 creates “substitute checks” which you can use as legal representations of the originals. Ordinary check images, which some banks have provided for years, are NOT substitute checks. It has always been a good idea to get canceled checks with your monthly statement. Now you will want “substitute checks” each month.

Banks usually take at least a day or two to process paper checks, but electronic processing can happen almost immediately. This means you have less “float” time between when you write a check and when the money is actually taken out of your account. This could increase the chance that one of your checks will bounce due to insufficient funds. Having your employer deposit your paycheck directly into your account can help you cope with the change in “float” time. Quicker clearing also means less time to stop payment on a check.

BEWARE: FAKE CHECK SCAMS

Fake checks, including cashiers checks, can look so real even bank tellers can be fooled. However, just because you can withdraw the money, doesn't mean the check is good. Forgeries can take weeks to discover. YOU are responsible for the checks you deposit. If a check bounces, you owe the bank any money you withdrew. If someone wants to send you a check, insist on a cashier's check for the exact amount, preferably from a local bank or one with a branch in your area. Never accept a check and then agree to send a portion of the money back to the sender. For information or to report a scam, visit www.fraud.org or call toll-free 1-800-876-7060. Or visit www.fakecheck.org.

UNSOLICITED CHECKS AND CREDIT OFFERS

If you cash an unsolicited check you've received in the mail, you could be agreeing to pay for products or services you don't want or need, such as Internet access or membership in a web directory. In addition, those “guarantees” for credit cards or loans, regardless of credit history, are probably a scam. Legitimate lenders never guarantee credit. For information on how to identify fraudulent solicitations, see page 3 or visit www.ftc.gov.

CARS

Whether you are buying or leasing a vehicle, these tips will help you get the best deal and avoid problems.

- Decide what kind of vehicle best suits your needs and budget. For tips on finding a safe vehicle, see Choose a Safe Vehicle (p. 7).
- Consider fuel economy. A vehicle that gets more miles per gallon is good for your wallet as well as for the environment.
- Check out the seller. For car dealers, check with your state or local consumer protection agency (p. 127) and Better Business Bureau (p. 65). If you're buying from an individual, check the title to make sure you're dealing with the vehicle owner.
- Take a test drive. Drive at different speeds and check for smooth right and left turns. On a straight stretch, make sure the vehicle doesn't pull to one side.
- Handle trade-ins and financing separately from your purchase to get the best deal on each. Get a written price quote before you talk about a trade-in or dealer financing.
- Shop in advance for the best finance deal at your credit union, bank or finance company. Look at the total finance charges and the Annual Percentage Rate (APR), not just the monthly payment.

GOVERNMENT FUEL ECONOMY WEB PAGES

- www.epa.gov/emisweb is a green vehicle guide that can help you identify vehicles that are fuel-efficient and have clean-running engines.
- Go to www.fueleconomy.gov to compare the miles-per-gallon ratings of different vehicle models manufactured since the mid-1980s.
- Use www.fueleconomy.gov/feg/savemoney.shtml to calculate annual fuel estimates.

- Read and understand every document you are asked to sign.
- Don't take possession of the car until all paperwork is final.
- Choose an auto insurance policy that is right for you (p. 27).

BUYING A NEW CAR

Research different vehicles. Many Internet sites can help you compare features and prices on new motor vehicles. Visit www.where-can-i-buy-a-car-online.com for links to these sites. A scorecard reports on the features of each site including whether quotes are free, the availability of financing, and site security. Four key resources that offer information in print and online concerning vehicle performance, service and safety are: *Consumer Reports* (www.consumerreports.org), *Motor Trend* (www.motortrend.com), *Car and Driver* (www.caranddriver.com), and *Edmunds* automotive books and network (www.edmunds.com).

- Research the dealer's price for the car and options. It's easier to get the best price when you know what the dealer paid for a vehicle. The dealer invoice

price is available on a number of websites and in printed pricing guides. *Consumer Reports* offers the wholesale price: this figure factors in dealer incentives from a manufacturer and is a more accurate estimate of what a dealer is paying for a vehicle.

- Find out if the manufacturer is offering rebates that will lower the cost. Two websites that offer this information are www.carsdirect.com and www.autopedia.com/html/Rebate.html.
- Get price quotes from several dealers. Find out if the amounts quoted are the prices before or after rebates are deducted.
- Avoid high-profit, low-value extras such as credit insurance, extended warranties, auto club memberships, rust proofing and upholstery finishes. You do not have to purchase credit insurance in order to get a loan. See *Service Contracts and Extended Warranties* (p. 2) and *Credit Insurance* (p. 11).

BUYING A USED CAR

- Learn what rights you have when buying a used car. Contact your state or local consumer protection office (p. 127).
- Find out in advance what paperwork you will need to register a vehicle. Contact your state's motor vehicle department.
- Check prices of similar models using the *NADA Official Used Car Guide* (www.nadaguides.com) published by the National Automobile Dealer Association (p. 64) or the *Kelley Blue Book* (www.kbb.com). These guides are usually available at local libraries.
- Research the vehicle's history. Ask the seller for details concerning past owners, use, and

CHOOSE A SAFE VEHICLE

Crash tests can help you determine how well a vehicle will protect you in a crash. Here are different organizations that perform crash tests and rate vehicles:

- The National Highway Traffic Safety Administration (www.nhtsa.dot.gov). Each year, NHTSA crashes vehicles head-on into a wall and bashes them broadside to test their ability to protect their occupants. NHTSA focuses on evaluating vehicle restraints such as air bags and safety belts.
- The Insurance Institute for Highway Safety (www.hwysafety.org). A different test by the IIHS uses offset-frontal car crashes to assess the protection provided by a vehicle's structure.
- Consumers Union. *Consumer Reports'* annual auto issue rates vehicles in terms of overall safety. Its safety score combines crash test results with a vehicle's accident avoidance factors—emergency handling, braking, acceleration, and even driver comfort.

To find out whether a vehicle has been recalled for safety defects, contact NHTSA (p. 116). If a vehicle has been recalled, ask the dealer for proof that the defect has been repaired. Used vehicles should also have a current safety inspection sticker if your state requires one.



maintenance. Next, find out whether the car has been damaged in a flood, involved in a crash, been labeled a lemon or had its odometer rolled back. The vehicle identification number (VIN) will help you do this.

- Your state motor vehicle department can research the car's title history. Inspect the title for "salvage," "rebuilt," or similar notations.
- The websites www.carfax.com and www.autocheck.com sell information on the history of vehicles gathered from state motor vehicle departments and other sources. These reports are helpful but they do not guarantee that a vehicle is accident-free.
- The National Highway Traffic Safety Administration (www.nhtsa.dot.gov) lists VINs of its crash-test vehicles and will let you search an online database of manufacturer service bulletins.

BEWARE: CURB STONING & TITLE WASHING

Curb stoning occurs when a dealer has an inferior or damaged car he can't sell on his lot. He gives the car to a salesperson to sell through the classifieds, as if it were a private party sale. A title history report will show that the title recently changed hands and could reveal that it is a lemon or an otherwise branded car. Be suspicious if the seller's name is different from the name on the title.

Title washing occurs when scam artists try to sell a salvage vehicle by concealing its history of damage from a buyer. Although a vehicle's title should show if it has been damaged or salvaged, some states do not document titles in the same way as other states. By moving a vehicle and its title through several different states, con artists try to "wash" out the title branding of salvage or damage. The best way to avoid this trick is to buy only from reputable dealers and/or to get a title guarantee in writing.

- The Center for Auto Safety (www.autosafety.org) provides information on safety defects, recalls, and lemons, as well as service bulletins.
- Visit www.safetyforum.com for a free online search of its database of lemons registered by previous owners.
- Make sure any mileage disclosures match the odometer reading on the car.
- Check the warranty. If a manufacturer's warranty is still in effect, contact the manufacturer to make sure you can use the coverage.
- Ask about the dealer's return policy. Get it in writing and read it carefully.
- Have the car inspected by your mechanic. Talk to the seller and agree in advance that you'll pay for the examination if the car passes inspection, and that the seller will pay if significant problems are discovered. A qualified mechanic should check the vehicle's frame, tires, air bags and undercarriage, as well as the engine.
- Examine dealer documents carefully. Make sure you are buying—not leasing—the vehicle. Leases use terms such as "balloon payment" and "base mileage" disclosures.

DEALER VERSUS PRIVATE PARTY PURCHASES

In general, buying from a dealer is a safer option because you are dealing with an institution, which means you are better protected by law. The Federal Trade Commission requires dealers to post a Buyer's Guide in the window of each used car or truck on their lot. This Guide specifies whether the vehicle is being sold "as is" or with a warranty, and what percentage of repair costs a dealer will pay under the warranty. Keep in mind that private sellers generally have less responsibility than dealers for defects or other problems. FTC rules do not apply to private-party sales.

Expect to pay higher prices at a dealer than if you buy from an individual. Many dealers inspect their cars and provide an inspection report with each car. However, this is no substitute for your own inspection. Some dealers provide limited warranties, and most sell extended warranties. Watch out for dealer warranties that are "powertrain" warranties only, and not "bumper-to-bumper" full-coverage warranties. It's best to compare warranties from multiple sources.

Some dealers provide "certified" cars. This generally means that the cars have had a more thorough inspection and come with a limited warranty. Prices for certified cars are generally higher. Be sure to get a list of what was inspected and what is covered under the warranty.

BEWARE: DEALERS POSING AS INDIVIDUALS

Some dealers pretend to be private sellers to avoid legal obligations and to sell problematic cars to unsuspecting buyers. Be wary: if an ad gives only a mobile number or specifies a time to call; if the same number appears in several ads; or the seller wants to bring the car to you or meet you somewhere.

Purchasing a car from a private seller could save you money, but there are risks. The car could be stolen, damaged or still under a finance agreement. If a private seller lies to you about the condition of the vehicle, you may sue the individual if you have evidence and you can find him. An individual is very unlikely to give a written warranty.

LEASING

When you lease, you pay to drive someone else's vehicle. Monthly lease payments may be lower than loan payments, but at the end of the lease you have no ownership or equity in the car. To get the best deal, follow the advice below in addition to the general suggestions for buying a car (p. 6).

- To help you compare leasing versus owning, the Consumer Leasing Act requires leasing companies to give you information on monthly payments and other charges. Check out www.leaseguide.com, www.leasecompare.com and www.leasesource.com for online information on leases including current lease deals.
- Consider using an independent agent rather than the dealer. You might find a better deal. Most financial institutions that offer auto financing also offer leasing options.
- Ask for details on wear and tear standards. Dings that you regard as normal wear and tear could be billed as significant damage at the end of your lease.
- Find out how many miles you can drive in a year. Most leases allow 12,000 to 15,000 miles a year.

CREDIT AND SUBLEASE BROKERS

Con artists often prey on people who have bad credit and who cannot get car loans. "Credit brokers" promise to get a loan for you in exchange for a high fee. In many cases, the "broker" takes the fee and disappears. "Sublease brokers" charge a fee to arrange for you to "sublease" or "take over" someone else's car lease or loan. Such deals usually violate the original loan or lease agreement. Your car can be repossessed even if you've made all of your payments. You also might have trouble insuring your car.

Expect a charge of 10 to 25 cents for each additional mile.

- Check the manufacturer's warranty. It should cover the entire lease term and the number of miles you are likely to drive.
- Ask the dealer what happens if you give up the car before the end of your lease. There may be extra fees for doing so.
- Ask what happens if the car is involved in an accident.
- Get all the terms in writing. Everything included with the car should be listed on the lease to avoid being charged for "missing" equipment later.

The Federal Reserve Board of Governors offers a consumer guide to auto leasing at www.federalreserve.gov/pubs/leasing/.

RECALLS, LEMON LAWS AND SECRET WARRANTIES

Sometimes a manufacturer makes a design or production mistake on a motor vehicle. If dealers report a number of complaints about a certain part or vehicle, the manufacturer may allow dealers to repair the problem at no cost to you even if the warranty has expired. A service bulletin notifies the dealer of the problem and how to resolve it. Because these free repairs are not publicized, they are called "secret warranties." The National Highway Traffic Safety Administration (p. 116) maintains a database of service bulletins filed by manufacturers.

If you have a problem with a vehicle that is a safety hazard, check whether the manufacturer has recalled your vehicle. Hazards that aren't listed should be reported to your dealer, the manufacturer of the vehicle (p. 61), and NHTSA. If a safety-related defect exists, the maker must fix it at no cost to you—even if your warranty has expired.

If you have a vehicle with a unique problem that just never seems to get fixed, you may have a lemon. Some states have laws concerning lemons that require a refund or replacement if a problem is not fixed within a reasonable number of tries or if you haven't been able to use your vehicle for a certain number of days. Contact your state or local consumer protection office (p. 127) to learn whether you have such protections and what steps you must take to solve your problem. If you believe your car is a lemon:

- Give the dealer a list of the problems every time you bring it in for repairs.
- Get and keep copies of the repair orders listing the problems, the work done, and the dates the car was in the shop.

CARS • CREDIT

- Contact the manufacturer, as well as the dealer, to report the problem. Check your owner's manual or the directory for the auto manufacturer (p. 61).
- Help other consumers avoid purchasing your lemon by registering it at www.safetyforum.com.

The Center for Auto Safety (p. 122) gathers information and complaints concerning safety defects, recalls, service bulletins and state lemon laws.

RENTING

Federal law does not cover short-term car and truck rentals, but some state laws do. Contact your state or local consumer protection office (p. 127) for information or to file a complaint.

- Ask in advance if there are any charges besides the stated rental fee. There may be an airport surcharge or drop-off fees, insurance fees, fuel charges, mileage fees, taxes, additional-driver fees, under-aged driver fees, and equipment rental fees (for items such as ski racks and car seats).
- Ask if the rental company checks the driving records of customers when they arrive at the counter. If so, you could be rejected even if you have a confirmed reservation.
- Check in advance to be sure you aren't duplicating insurance coverage. If you're traveling on business, your employer might have insurance that covers damage to the vehicle if you are in an accident. You might also have coverage through your personal auto insurance, a motor club membership, or the credit card you used to reserve the rental.
- Carefully inspect the vehicle and its tires before renting.
- Check refueling policies and charges.
- Ask the rental company if a deposit is required. If so, ask for a clear explanation of the deposit refund procedures.

REPAIRS

Whenever you take a vehicle to the shop:

- Choose a reliable repair shop. Family, friends or an independent consumer rating organization should be able to help you. Look for shops that display various certifications that are current. You should also check out the shop's record with your state or local consumer protection office (p. 127) or Better Business Bureau (p. 65).
- Describe the symptoms. Don't try to diagnose the problem.
- Make it clear that work cannot begin until you have a written estimate and you give your okay. Never sign a blank repair order. If the problem can't be diagnosed on the spot, insist that the shop contact you for authorization once the trouble has been found.

- Ask the shop to keep the old parts for you.
- If a repair is covered under warranty, follow the warranty instructions.
- Get all repair warranties in writing.
- Keep copies of all paperwork.

Some states, cities and counties have special laws that deal with auto repairs. For information on the laws in your state, contact your state or local consumer protection office (p. 127). A complete consumer guide to auto repair is available at www.ftc.gov/bcp/online/pubs/autos/autorpr.pdf.

REPOSSESSIONS

When you borrow money to buy a car or truck, the lender can take your vehicle back if you miss a payment or in some other way violate the contract. You should also be aware that the lender:

- Can repossess with cause without advance notice
- Can insist you pay off the entire loan balance in order to get the repossessed vehicle back
- Can sell the vehicle at auction
- Might be able to sue you for the difference between the vehicle's auction price and what you owe
- Cannot break into your home or physically threaten someone while taking the vehicle

If you know you're going to be late with a payment, talk to the lender to try to work things out. If you and the lender reach an agreement, be sure you get the agreement in writing. Contact your state or local consumer protection office (p. 127) to find out whether your state gives you any additional rights.

CREDIT

Like everything else you buy, credit has a price tag and it pays to comparison shop. With the Internet, you can now compare local credit offers with those from financial institutions around the nation. For up-to-date interest rate reports on mortgages, auto loans, credit cards, home equity loans, and other banking products visit www.bankrate.com. For a listing of credit cards, visit www.cardlocator.com.

The Equal Credit Opportunity Act protects you when dealing with anyone who regularly offers credit, including banks, finance companies, stores, credit card companies and credit unions. When you apply for credit, a creditor may not:

- Ask about or consider your sex, race, national origin or religion
- Ask about your marital status or your spouse, unless you are applying for a joint account or relying on

BEWARE: CREDIT INSURANCE

When you take out a loan for a big purchase, a salesperson may try to sell you credit insurance. Your credit card company may also encourage you to purchase credit insurance. The coverage may be promoted as a way for you to protect yourself if your property is damaged or lost. Other credit insurance offers promises to make loan payments if you are laid off, become disabled or die. It is almost always better to buy regular property, life or disability insurance instead of credit insurance.

your spouse's income, or you live in a community property state (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas and Washington)

- Ask about your plans to have or raise children
- Refuse to consider public assistance income or regularly received alimony or child support
- Refuse to consider income because of your sex or marital status or because it is from part-time work or retirement benefits

You Have The Right To:

- Have credit in your birth name, your first name and your spouse's last name, or your first name and a combined last name
- Have a co-signer other than your spouse if one is necessary
- Keep your own accounts after you change your name or marital status or retire, unless the creditor has evidence you are unable or unwilling to pay
- Know why a credit application was rejected—the creditor must give you the specific reasons or tell you how you can get them if you ask within 60 days
- Have accounts shared with your spouse reported in both your names
- Know how much it will cost to borrow money

For additional information on credit, see *Buying a Home* (p. 23) and *Cars* (p. 6). Other sources of information include the HUD Housing Counseling Clearinghouse at 1-888-466-3487, the FTC (p. 119), and the National Consumer Law Center (p. 125).

CREDIT CARDS

Chances are you've received "pre-approved" credit card offers in the mail. Examine the fine print carefully before you accept any offer for a credit or charge card.

Look for:

- **The Annual Percentage Rate (APR).** If the interest rate is variable, how is it determined and when can it change?



- **The periodic rate.** This is the interest rate used to figure the finance charge on your balance each billing period.
- **The annual fee.** While some cards have no annual fee, others expect you to pay an amount each year for being a cardholder.
- **The grace period.** This is the number of days you have to pay your bill before finance charges start. Without this period, you may have to pay interest from the date you use your card or when the purchase is posted to your account.
- **The finance charges.** Most lenders calculate finance charges using an average daily account balance, which is the average of what you owed each day in the billing cycle. Look for offers that use an adjusted balance, which subtracts your monthly payment from your beginning balance. This method usually has the lowest finance charges. Stay away from offers that use the previous balance in calculating what you owe; this method has the highest finance charge. Also don't forget to check if there is a minimum finance charge.

LOST AND STOLEN CREDIT CARDS

Immediately call the card issuer when you suspect a credit or charge card has been lost or stolen. Many companies have toll-free numbers and 24-hour service to deal with such emergencies.

By federal law, once you report the loss or theft of a card, you have no further responsibility for unauthorized charges. In any event, your maximum liability under federal law is \$50 per card.

CREDIT

- **Other fees.** Ask about special fees when you get a cash advance, make a late payment, or go over your credit limit. Some companies charge a monthly fee regardless of whether you use your card.

The Fair Credit and Charge Card Disclosure Act requires credit and charge card issuers to include this information on credit applications. The Federal Trade Commission (p. 119) offers a wide range of free publications on credit and consumer rights at www.ftc.gov. The Federal Reserve Board (p. 119) provides a free brochure on choosing a credit card and a guide to credit protection laws at www.federalreserve.gov.

COMPARING CARDS

- Bank Rate (www.bankrate.com) provides free credit card tips and information.
- Consumer Action (www.consumer-action.org) has a site that features credit card surveys of interest rates, fees and other terms from dozens of credit cards, as well as free brochures and guides on choosing and using credit cards.
- Card Web (www.cardweb.com) lists credit cards and offers e-mail newsletters, frequently asked questions and online credit card calculators.
- Card Ratings (www.cardratings.com) lists and reviews credit cards, and offers tips and credit card calculators.

CREDIT BILLING DISPUTES

If you find an error on a credit card or charge account bill, you have the right to dispute the problem under the Fair Credit Billing Act. The law defines billing errors as: incorrect credits for payments, charges that you didn't make, and charges for goods or services that you did not receive or that were not as promised.

Write to the creditor within 60 days of the postmark of the first bill with the disputed charge. If more than 60 days have passed but you just recently found the problem, you may still be able to dispute the charge.

- Send a letter to the address provided on the bill. Do not send the letter with your payment.

BEWARE: TEASER RATES

Some cards are advertised with very low introductory interest rates called teasers. The rate is good for a short period of time. If you know you can pay what you owe while the low rate is in effect, it could be a good deal. But if the teaser time runs out and you still owe money, you could end up paying a higher rate than you might have without the special introductory rate. Just one late payment could also cancel the teaser rate.

BEWARE: OFFERS TO SKIP A PAYMENT

If your credit company invites you to skip a monthly payment without a penalty, it is not doing you a favor. You will still owe finance charges on your unpaid balance. And interest could be adding up on any purchases you make after the due date you skipped.

- Be specific. In your letter, give your name and account number, the date and amount of the charge disputed, and a complete explanation of why you are disputing the charge.
- Send your letter by certified mail, with a return receipt requested, if you want to make sure it is received.

If you follow these requirements, the creditor or card issuer must acknowledge your letter in writing within 30 days of receiving it and conduct an investigation within 90 days.

While the bill is being investigated, you do not have to pay the amount in dispute. The creditor cannot try to collect this disputed amount, nor can the creditor report the amount as late, or close, or restrict your account.

- If there was an error, the creditor must credit your account and remove any related finance charges or late fees. For any amount still owed, you have the right to an explanation and copies of documents proving you owe the money.
- If the bill is correct, you must be told in writing what you owe and why. You will owe the amount disputed plus any finance charges.

What if you don't agree with the creditor's decision? You can file an appeal with the Office of the Comptroller of the Currency (p. 117).

COMPLAINTS

To complain about a problem with your credit card company, call the company first and try to resolve the problem. If you fail to resolve the issue, ask for the name, address and phone number of its regulatory agency.

If the word national appears in the name or the letters N.A. appear after the name, the Office of the Comptroller (p. 117) oversees its operations. See the chart on page 6 to find the best contact.

To complain about a credit bureau, department store or other FDIC-insured financial institution, write to the Consumer Response Center (p. 119). You may also file a complaint online at www.ftc.gov.

CREDIT REPORTS AND SCORES

A credit report contains information on where you work and live, how you pay your bills, and whether you've been sued, arrested, or filed for bankruptcy. Consumer Reporting Agencies (CRAs) gather this information and sell it to creditors, employers, insurers, and others. The most common type of CRA is the credit bureau.

FICO AND VANTAGEScore

Historically, FICO has been the most well-known credit scoring system. The information in your credit report is used to calculate your FICO credit score, a number generally between 300 and 850 that rates how risky a borrower you are. The higher your score, the less risk you pose to creditors. Your FICO score is available from www.myfico.com for a fee. Free credit reports do not contain your credit score. You may purchase your credit score by contacting the credit bureaus. All three credit bureaus also offer a 3-in-1 service so you don't have to contact each bureau separately.

VantageScore is a new scoring technique, the first one that was developed collaboratively by the three credit reporting companies. This model allows for a more predictive score for consumers, even for those with limited credit histories, reducing the need for creditors to manually review credit information. VantageScore features a common score range of 501-990 (higher scores represent lower likelihood of risk). A key benefit of VantageScore is that as long as the three major credit bureaus have the same information regarding your credit history, you will receive the same score from each of them. A different score alerts you that there are discrepancies in your report.

TIPS FOR BUILDING A BETTER CREDIT SCORE

- Pay your bills on time. Delinquent payments and collections negatively impact your score.
- Keep balances low on credit cards and other "revolving credit." High outstanding debt lowers your credit score.
- Apply for and open new credit accounts only as needed. Don't open an account just to have a better credit mix; it probably won't raise your score.
- Pay off debt instead of moving it around. Owing the same amount, but having fewer open accounts may lower your score.

You don't rebuild your credit score; you rebuild your credit history. There is no "quick fix" for a bad credit score, so be wary of any deals that offer you a fast, easy solution.

NEGATIVE INFORMATION IN YOUR CREDIT REPORT

Negative information concerning your use of credit can be kept in your credit report for seven years. A

THE THREE MAJOR NATIONAL CREDIT BUREAUS ARE:

Equifax: 1-800-685-1111 or www.equifax.com
To place a Fraud Alert on your credit report:
1-888-766-0008.

Experian: 1-888-397-3742 or www.experian.com
To place a Fraud Alert on your credit report:
1-888-397-3742.

TransUnion: 1-800-916-8800 or
www.transunion.com
To place a Fraud Alert on your credit report:
1-800-680-7289.

Learn more about Fraud Alert and Identity Theft (p. 3).

bankruptcy can be kept for 10 years, and unpaid tax liens for 15 years. Information about a lawsuit or an unpaid judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer. Inquiries remain on your report for two years.

Anyone who denies you credit, housing, insurance, or a job as a result of a credit report must give you the name, address, and telephone number of the CRA that provided the report. Under the Fair Credit Reporting Act (FCRA), you have the right to request a free report within 60 days if a company denies you credit based on the report.

If there is inaccurate or incomplete information in your credit report:

- Contact both the credit reporting agency and the company that provided the information to the CRA.
- Tell the CRA in writing what information you believe is inaccurate.

Under The Fair Credit Reporting Act, the information provider is required to investigate and report the results to the CRA. If the information is found to be incorrect, it must notify all nationwide CRAs to correct your file. If the investigation does not solve your dispute, ask that your statement concerning the dispute be included in your file. A notice of your dispute must be included anytime the CRA reports the negative item.

As of September 1, 2005, all consumers are eligible to receive a free annual credit report from each of the three major CRAs: Equifax, Experian and TransUnion. To order your report, you must go through www.annualcreditreport.com or call 1-877-322-8228.

CREDIT

If the information is accurate, only time, hard work, and a personal debt repayment plan will improve your credit report. Credit repair companies advertise they can erase bad credit for a hefty fee. Don't believe it.

Under the Credit Repair Organizations Act, credit repair companies can't require you to pay until they have completed promised services. They must also give you:

- A copy of the "Consumer Credit File Rights Under State and Federal Law" before you sign a contract
- A written contract that spells out your rights and obligations
- Three days to cancel without paying any fees

Some credit repair companies promise to help you establish a whole new credit identity. You can be charged with fraud if you use the mail or telephone to apply for credit with false information. It is also a federal crime to make false statements on a loan or credit application, to give a false Social Security number, or to obtain an Employer Identification Number from the Internal Revenue Service under false pretences.

If you have lost money to a credit repair scam, contact your state or local consumer affairs office (p. 127).

DEALING WITH DEBT

The Fair Debt Collection Practices Act applies to those who collect debts owed to creditors for personal, family and household debts. These include car loans, mortgages, charge accounts and money owed for medical bills. A debt collector is someone hired to collect money you owe.

Within five days after a debt collector first contacts you, the collector must send you a notice that tells you the name of the creditor, how much you owe, and what action to take if you believe you don't owe the money.

DEBT MANAGEMENT ASSISTANCE

Several national nonprofit organizations also provide information and assist people with debt problems via the phone and Internet.

- American Consumer Credit Counseling
Visit www.consumercredit.com or call 1-800-769-3571.
- InCharge Institute of America
Visit www.incharge.org or call 1-800-565-8953.
- Money Management International
Visit www.moneymangement.org or call 1-866-899-9347.
- Myvesta
Visit www.myvesta.org or call 1-800-680-DEBT (3328).



If you owe the money or part of it, contact the creditor to arrange for payment.

If you believe you don't owe the money, contact the creditor in writing and send a copy to the collection agency with a letter telling them not to contact you. A debt collector may not:

- Contact you at unreasonable times, for example, before 8 a.m. or after 9 p.m., unless you agree
- Contact you at work if you tell the debt collector your employer disapproves
- Contact you after you write a letter telling them to stop, except to notify you if the collector or creditor plans to take a specific action
- Contact your friends, relatives, employer or others, except to find out where you live and work
- Harass you through threats to harm you, profane language or repeated telephone calls
- Make any false statement, or claim that you will be arrested
- Threaten to have money deducted from your paycheck or sue you, unless the collection agency or creditor intends to do so and it is legal

To file a complaint, contact your state or local consumer protection agency (p. 127) and the Federal Trade Commission (p. 119).

OUT OF CONTROL DEBT

Counseling services are available to help people budget money and pay bills. Credit unions, cooperative extension offices, military family service centers and religious organizations are among those that may offer free or low-cost credit counseling.

Local, nonprofit agencies that provide educational programs on money management and help in developing debt payment plans operate under the name Consumer Credit Counseling Service (CCCS). They are members of the National Foundation for Credit Counseling (NFCC); see page 164 to help locate the agency closest to you.

ALERT: "DEBT RELIEF" MAY BE CODE FOR BANKRUPTCY

The Federal Trade Commission cautions consumers to read between the lines when faced with ads in newspapers or telephone directories that promise debt relief. This relief may actually be bankruptcy. These catch phrases are commonly used:

"Consolidate your bills into one monthly payment without borrowing."

"Keep your property."

"Stop credit harassment, foreclosures, repossessions and garnishments."

"Wipe out your debts! Consolidate your bills!"

"Use the protection and assistance provided by federal law. For once let the law work for you."

Typically, a counseling service will negotiate lower payments with your creditors, then make the payments using money you send to them each month. The cost of setting up this debt-management plan is paid by the creditor not you. Ask these questions to find the best counselor for you:

- **What services do you offer?** Look for an organization that offers budget counseling and money management classes as well as a debt-management plan.
- **Do you offer free information?** Avoid organizations that charge for information or make you provide a lot of details about your problem first.
- **What are your fees?** Are there set-up and/or monthly fees? A typical set-up fee is \$10. If you're paying a lot more, you could be the one getting set up.
- **How will the debt management plan work?** What debts can be included in the plan and will you get regular reports on your accounts?
- **Ask if the counselor can get creditors to lower or eliminate interest and fees?** If the answer is yes, contact your creditors to verify this.
- **Ask what happens if you can't afford to pay.** If an organization won't help you because you can't afford to pay, go somewhere else for help.
- **Will your counselor help you avoid future problems?** Getting a plan for avoiding future debt is as important as solving the immediate debt problem.
- **Ask for a contract.** All verbal promises should be in writing before you pay any money.

- **Are your counselors accredited or certified?** Legitimate credit counseling firms are affiliated with the National Foundation for Credit Counseling (p. 164) or the Association of Independent Consumer Credit Counseling Agencies.

Unfortunately, honest credit counselors have a lot of rivals who are more interested in taking your money than helping you. They can do more harm than good. Red flags are:

- **Big upfront fees.** A reputable credit counseling agency will send free information about itself and the services it provides without requiring you to provide any details about your situation.
- **Unrealistic promises.** Some companies falsely claim they can solve problems for pennies on the dollar or remove negative information from your credit record.

Check with your local consumer protection agency (p. 127) and the Better Business Bureau (p. 65) to see if any complaints have been filed about the company.

PERSONAL BANKRUPTCY

Generally, bankruptcy is considered the debt management option of last resort because the results are long lasting and far reaching. The Bankruptcy Abuse and Prevention Act of 2005 established more stringent rules for consumers and attorneys.

The filing process is more difficult for debtors:

- Debtors must file more documents; including itemized statements of monthly net income, proof of income (pay stubs) for the last 60 days, and tax returns for the preceding year (four years for Chapter 13).
- Debtors must take a pre-filing credit counseling and post-filing education course to have debts discharged.
- Debtors face increased filing fees, plus fees for credit counseling/education.
- The bankruptcy petition and process are more complicated, so it's very difficult to file without an attorney.



The filing process is more difficult for lawyers:

- An attorney’s signature on a petition certifies that the attorney has performed a reasonable investigation into the circumstances giving rise to the petition.
- Attorneys must carefully review documents such as tax returns and pay stubs, as well as ask clients for credit reports.
- Attorneys are more apprehensive about sanctions.

If you have concerns about approved credit counseling agencies or credit counseling providers, please contact the U.S. Trustee Program, visit www.usdoj.gov/ust or call 202-514-4100.

LOANS

HOME EQUITY LOANS

Consider carefully before taking out a home equity loan. Although this type of loan might let you take tax deductions that you could not take with other types of loans, they reduce the equity you have built up in your house. If you are unable to make payments, you could lose your home.

Home equity loans can either be a revolving line of credit or a one-time, closed-end loan. Revolving credit lets you choose when and how often to borrow against the equity in your home. In a closed-end loan, you receive a lump sum for a particular purpose, such as remodeling or tuition. Apply for a home equity loan through a bank or credit union first. These loans are likely to cost less than those offered by finance companies.

See the Housing section (p. 23) for helpful information about buying, leasing, renting or repairing a home.

INSTALLMENT LOANS

Before you sign an agreement for a loan to buy a house, a car or other large purchase, make sure you fully understand all the lender’s terms and conditions, including:

- The dollar amount you are borrowing
- The payment amounts and when they are due
- The total finance charge, the total of all the interest and fees you must pay to get the loan
- The Annual Percentage Rate (APR), the rate of interest you will pay over the full term of the loan
- Penalties for late payments
- What the lender will do if you can’t pay back the loan
- Penalties if you pay the loan back early

The Truth in Lending Act requires lenders to give you this information so you can compare different offers.

PAYDAY AND TAX REFUND LOANS

With a typical payday loan, you might write a personal check for \$115 to borrow \$100 for two weeks, until payday. The annual percentage rate (APR) in this example is 390 percent! Payday loans are illegal in some states.

Another high cost way to borrow money is a tax refund loan. This type of credit lets you get an advance on a tax refund. APRs as high as 774% have been reported. If you are short of cash, avoid both of these loans by asking for more time to pay a bill or seeking a traditional loan. Even a cash advance on your credit card may cost less.

EDUCATION

CHOOSING A SCHOOL

Today, choosing a school includes everything from elementary schools to graduate programs. There are many resources that provide information related to school choice for K-12 education. You can contact the U.S. Department of Education (p. 109) or try these resources:

- Council of Chief State School Officers (www.ccsso.org) links to state education agencies where you can learn about school performance and supplemental educational services providers.
- The National Center for Education Statistics, U.S. Department of Education (nces.ed.gov/globallocator) can assist your search for public and private schools.
- The Office of Non-Public Education, U.S. Department of Education provides links to non-public school organizations, along with a

GENERAL EDUCATION DEVELOPMENT (GED)

States and other jurisdictions issue high school equivalency credentials to adult candidates who earn passing scores on GED tests. Many adults who did not complete a high school program of instruction have continued to learn through a variety of experiences encountered in everyday life. The purpose of the GED Testing Program is to provide an opportunity for these individuals to have the learning acquired from such educational experiences evaluated and recognized. The GED Tests make it possible for qualified individuals to earn a high school credential and provides opportunities for hundreds of thousands of adults to pursue higher education, obtain jobs or job promotions, and achieve personal goals.

For more information, visit the American Council for Education (ACE) at www.acenet.edu or call 202-939-9300.

private school locator and other information about non-public education.

- The Educational Resources Information Center (ERIC) provides articles and reports on topics related to school choice (p. 109).
- GreatSchools.net (www.greatschools.net) is an online resource of school profiles and comparative performance data.
- The Parental Information and Resource Center, (www.pirc-info.net/pircs.asp) provides a directory of centers to assist parents across the country.

For performance and comparative data, visit www.schoolresults.org.

For information about U.S. Charter Schools, visit www.uscharterschools.org.

COLLEGES AND UNIVERSITIES

Choosing a college or other education program is one of the most important decisions you will make in your lifetime. School is a big investment of time, money, and effort, whether it's a four-year university, a two-year program or a trade or professional school. Carefully evaluate your options.

- Does the school offer the courses and type of program you want?
- Does the school offer services you need and activities you're interested in?
- What are the school's graduation and transfer-out rates? A school is required to disclose this information to prospective students.
- What percentage of recent graduates is working in their chosen field of study?
- What is the school's loan default rate? In other words, what percentage of students who took out federal student loans later failed to repay their loans on time? You might not be able to get federal aid for a school that has a high default rate.
- What kind of crimes happen on campus, and what programs are in place to protect your safety? The school must provide you with a summary of its annual security report. The Department of Education posts crime statistics for many schools at www.ope.ed.gov/security.
- What financial aid is available at the school? Ask for specifics such as the types of aid available, how to apply, how recipients are selected, plus how and when aid will be received.
- What are the school's refund policies? If you enroll but change your mind or are not able to finish a class, can you get some of your money back?

Most of this information is covered in a school's catalog, brochures or website. If you know others who have recently attended a school you're considering,



CREDIT

ask about their experiences and opinions. Talk to a high school counselor and local employers. To find out if any complaints have been filed about a school, contact the Better Business Bureau (p. 65) or higher education agency in the state where the school is located.

VOCATIONAL SCHOOLS

Private vocational, correspondence and technical trade schools train students for a variety of skilled jobs, such as medical assistant, hair stylist, automotive technician, paralegal, truck electronics technician or truck driver. Many are reputable, teach the skills needed to get a job, and may even assist with job placement. Others make false claims about the qualification of their instructors, the extent of their programs and/or facilities. They could also mislead students about the availability of jobs or salary potential.

Before enrolling in a vocational or correspondence school, find out as much as you can about the school, its tuition, qualifications and reputation. The FTC (p. 119) offers helpful advice and a "Do Some Homework" checklist if you're considering a career or vocational school. Other helpful resources include:

- SkillsUSA (www.skillsusa.org or 703-777-8810) is a national nonprofit organization that serves teachers, high school and college students who are preparing for careers in trade, technical and skilled service occupations, including health occupations.
- The Office of Vocational and Adult Education (www.ed.gov or 1-800-872-5327) offers up-to-date information, research and resources about vocational and adult education programs and issues.

EDUCATION

FINANCING YOUR EDUCATION

The U.S. Department of Education (p. 109) has a wealth of information on choosing, applying and paying for education after high school. This information along with applications for federal financial assistance is posted online at studentaid.ed.gov or you can call 1-800-433-3243.

Another source of information on financial assistance from both private and government sources is www.finaid.org. This site also offers calculators that can help you figure out how much school will cost, how much you need to save, and how much aid you will need.

Many state governments have created programs to make it easier for families to save money for their children's education. Visit www.collegesavings.org for links to information on various state programs.

STUDENT LOANS

Student Financial Aid is available from a wide variety of sources including the federal government, individual states, directly from colleges and universities, as well as from numerous other public and private agencies and organizations. Whatever the source, all forms of college aid fall into four basic categories:

- **Grants.** Gift aid from grants does not have to be repaid and is generally awarded based at least partially on financial need.
- **Work Study.** The Federal Work-Study Program (FWS) is a federally funded source of financial assistance used to offset financial education costs. Students earn money by working and attending school. The money does not have to be repaid.

BEWARE: SCHOLARSHIP AND FINANCIAL AID SCAMS

Some unscrupulous companies guarantee that they can get scholarships on behalf of students or award "scholarships" in exchange for an advance fee. Most offer a "money back guarantee" but attach conditions that make it impossible to get the refund. Others provide nothing for the student's advance fee, not even a list of potential sources. Still others tell students they've been selected as "finalists" for awards that require an up-front fee. Sometimes, these companies ask for a student's checking account to "confirm eligibility," then debit the account without the student's consent. Other companies quote only a relatively small "monthly" or "weekly" fee and then ask for authorization to debit your checking account for an undetermined length of time. Be cautious of paying for information that you can obtain for FREE.

FEDERAL STUDENT AID

Many helpful publications are available at www.studentaid.ed.gov/pubs.

www.dl.ed.gov The federal government's direct loan website includes a servicing center.

www.bls.gov/oco The U.S. Department of Labor's Occupational Outlook Handbook provides information on various careers and their earning potential.

www.edu.gov The U.S. Department of Education offers several financial aid guides for consumers.

www.nasfaa.org The National Association of Student Financial Aid Administrators provides a "Cash for College Guide" with advice, tips and information on financing your education.

- **Loans.** Funds that are borrowed and must be repaid with interest are loans. As a general rule, educational loans have far more favorable terms and interest rates than traditional consumer loans.
- **Scholarships.** Offered by schools, local/community organizations, private institutions and trusts, scholarships do not have to be repaid and are generally awarded based on some specific criteria.

FEDERAL STUDENT AID INFORMATION CENTER

The Federal Student Aid Information Center (FSAIC) can answer your federal student financial aid questions and give you all the help you need for free. You can also use the FSAIC automated response system to find out if your FAFSA application has been processed and to request a copy of your Student Aid Report (SAR). For more contact information on the FSAIC, see page 110.



EMPLOYMENT

EMPLOYMENT AGENCIES

There are numerous job-hunting websites now available that post jobs for private industry. Many companies also offer a way to apply online. However, these sites do not replace traditional and proven job-hunting approaches such as networking, personal contacts, business organizations and interviewing.

If you're looking for a job, you might come across ads from employment agencies that promise wonderful opportunities. While some companies honestly want to help you, others are more interested in taking your money. Be wary of:

- Promises to get you a job and a guaranteed income
- Upfront fees, even when you are guaranteed a refund if you are dissatisfied
- Employment agencies whose ads read like job ads
- Promotions of "previously undisclosed" government jobs. All federal jobs are announced to the public at www.usajobs.opm.gov

Get a copy of the employment agency contract and review it carefully before you pay any money. Check with your local consumer protection agency (p. 127) and the Better Business Bureau (p. 65) to see if any complaints have been filed about a company.

The Federal Trade Commission (p. 119) sues businesses that fraudulently advertise employment openings and guarantee job placement. Contact the FTC if you have a complaint.

WORK-AT-HOME COMPANIES

Not all work-at-home opportunities deliver on their promises. Some classic work-at-home schemes are medical billing, envelope stuffing and assembly or craftwork. Ads for these businesses say: "Be part of one of America's fastest growing industries. Earn thousands of dollars a month from home!" Legitimate work-at-home program promoters should tell you, in writing, what's involved in the program they are selling. Here are some questions you might ask:

- What tasks will I have to perform? (Ask the program sponsor to list every step of the job.)
- Will I be paid a salary or will my pay be based on commission?
- Who will pay me?
- When will I get my first paycheck?
- What is the total cost of the work-at home program, including supplies, equipment and membership fees? What will I get for my money?

The answers to these questions may help you determine whether a work-at-home program is appropriate for your circumstances, and whether it is legitimate.

MULTILEVEL MARKETING

Some multilevel marketing plans are legitimate. However, others are illegal pyramid schemes. In pyramids, commissions are based on the number of distributors recruited. Most of the product sales are made to these distributors, not to consumers in general. The underlying goods and services, which vary from vitamins to car leases, serve only to make the schemes look legitimate. Most people end up with nothing to show for their money except the expensive products or marketing materials they were pressured to buy.

If you're thinking about joining what appears to be a legitimate multilevel marketing plan, take time to learn about the plan.

- What is the company's track record?
- How long has the company been in business?
- What products does it sell?
- Does it sell products to the public-at-large?
- Does it have evidence to back up the claims it makes about its product?
- Is the product competitively priced?
- Is it likely to appeal to a large customer base?
- How much does it cost to join the plan?
- Are minimum monthly sales required to earn a commission?
- Will you be required to recruit new distributors to earn your commission?

NET-BASED BUSINESS OPPORTUNITIES

The Federal Trade Commission says that many Internet business opportunities are scams that promise more than they can deliver. The companies lure would-be entrepreneurs with false promises of big earnings for little effort. Some tips to finding a legitimate opportunity:

- Consider the promotion carefully.
- Get earnings claims in writing.
- Study the business opportunity's franchise disclosure document.
- Interview each previous purchaser in person, preferably at the purchaser's place of business.
- Contact the local consumer protection agency (p. 127) and Better Business Bureau (p. 65), both where the business opportunity promoter is based and where you live to find out whether there is any record of unresolved complaints.

EMPLOYMENT • FOOD AND NUTRITION

- If the business opportunity involves selling products from well-known companies, verify the relationship with the legal department of the company whose merchandise would be promoted.
- Consult an attorney, accountant or other business advisor before you put any money down or sign any papers.
- Take your time. Promoters of fraudulent business opportunities are likely to use high-pressure sales tactics to get you to buy in. If the business opportunity is legitimate, it'll still be around when you're ready to decide.

FOOD AND NUTRITION

The following suggestions will help you save money when shopping for food.

- Use a grocery list. You will be less likely to pick up extra items.
- Shop at the lower-priced food stores. Convenience stores often charge the highest prices.
- Compare price-per-ounce or other unit prices.
- Stock up on non-perishable items with low per-unit costs.

HEALTHY FOOD CHOICES

To help you make healthy food choices, the federal government posts dietary guidelines at www.health.gov/dietaryguidelines. Federal regulations also require many foods to identify fat content, fiber and nutrients on their labels.

FOOD SAFETY

Food safety in the home revolves around three main functions: food storage, food handling and cooking. Most experts agree that practicing a few simple rules focused on cleaning, separating, cooking and chilling can prevent most foodborne illness in the home.



For more in-depth information, check out these resources for advice, tips and education on food shopping and nutrition.

- U.S. Department of Agriculture (p. 107)
- The Food and Drug Administration (p. 111)
- Nutrition.gov (www.nutrition.gov)
- MedlinePlus (Click on F for Food or N for Nutrition at www.nlm.nih.gov/medlineplus)
- The Nutrition Source (www.hsph.harvard.edu/nutritionsource)

The website www.foodsafety.gov is your gateway to government food safety information including online publications you can download or request.

For more information, here are some additional resources:

- Centers for Disease Control and Prevention (p. 111)
- FDA's Food Information and Seafood Hotline 1-800-332-4010
- Partnership for Food Safety Education at www.fightbac.org, the online resource of Fight BAC! with food safety and safe food handling information
- U.S. Department of Health and Human Services (p. 110)
- USDA Food Safety and Inspection Service, www.fsis.usda.gov
- USDA Meat and Poultry Hotline 1-888-674-6854

WEIGHT LOSS

Find federal government information on dieting and weight loss through NIH's National Library of Medicine at www.nlm.nih.gov/medlineplus/weightlossanddieting.html. For more information, you can also call 1-888-346-3656, or write to National Library of Medicine, 8600 Rockville Pike, Bethesda, MD 20894.

If you need to lose weight, talk with your doctor about the options that are best for you. Most health experts agree that the best and safest way to lose weight is to modestly cut calories, eat a balanced diet, and exercise. People usually do best when they reduce their usual calorie intake or increase the calories they use by 500–1,000 per day. This allows you to eat enough for good nutrition yet lose about one to two pounds a week. Steer clear of harmful tactics such as smoking, fasting, purging, or abusing laxatives.

To make sure you safely lose pounds and avoid dangerous or expensive scams, ask these questions:

- **How does the product or service work?** Does the program emphasize diet, exercise or a combination of both?



- **How much will it cost?** Ask for an itemized list that includes membership fees and fees for weekly visits. Ask if there are extra fees for diagnostic tests, food, dietary supplements, or other products in the program.
- **How well does it work?** Ask to see the studies that back up success claims. Look for how many people completed the program, how much weight they lost, and how long they kept the weight off.
- **What are the risks?** Get details about possible side effects. Check with your doctor before you take prescriptions, over-the-counter weight loss drugs, or dietary supplements. Diets that require drastic food restriction should be under the supervision of a physician.
- **How many calories will you eat each day?** For diets under 1,500 calories, be sure to check with your doctor to make sure you get all your nutrients.
- **What are the staff qualifications?** Ask about their training and experience.
- **What type of attention will you receive?** Will you get individual counseling or group support? How often?

Complaints concerning fraudulent weight loss claims should be directed to the Federal Trade Commission (p. 119).

BE INFORMED: RISKS OF WEIGHT LOSS SURGERY

Surgical procedures for weight loss should be considered carefully and only after you and a doctor have looked at all the options. Risks and complications include bleeding, deep vein thrombosis, infections, marginal ulcers, pulmonary problems, spleen injury, stenosis, vomiting, dumping syndrome, nutritional deficiencies, gallstones and even death. It is NOT cosmetic surgery. The National Institutes of Health has helpful information and has set minimum requirements for recommending these types of surgery, along with other important information, at www.nih.gov.

HEALTHCARE

For information on Healthcare plans see page 28.

Thousands of resources are now available to help you make healthcare decisions. Be wary of websites sponsored by companies that are trying to sell you a particular treatment. It's better to contact reputable associations or visit sites run by government agencies and recognized organizations, such as the Mayo Clinic or the American Medical Association (www.ama-assn.org or 1-800-621-8335). This information should complement, not replace, what you receive from a doctor. Here are some sites that are generally recognized as reliable information sources:

- **HealthierUS.gov, HealthFinder.gov and MedlinePlus** (www.nlm.nih.gov/medlineplus) are federal government gateways that provide information on health issues, healthcare programs, and organizations.
- **Intelihealth** (www.intelihealth.com) offers information and practical advice on staying healthy from the Harvard Medical School.
- **Mayo Clinic** (www.mayoclinic.com) offers an alphabetical index of diseases and Healthy Living Centers (for example, Women's Health, Diet and Health). Consult the Health Decisions Guide for information on medical tests and treatments.
- **Medical Library Association** (www.mlanet.org) links to websites suggested by librarians. For general information, you can call 312-419-9094 or write to The Medical Library Association, 65 East Wacker Place, Suite 1900, Chicago, IL 60601-7246.
- **Mental Help Net** (www.mentalhelp.net) links to a broad range of mental health topics.

For information on medical privacy, see page 40.

CHOOSING A DOCTOR

When searching for a doctor, dentist or other healthcare professional:

- Find out whether they are licensed in your state. A state or local occupational and professional licensing board will be able to give you this information (p. 127).
- Research whether they are board-certified in the appropriate specialty. You can find this information on the sites of the AMA (www.ama-assn.org) and American Board of Medical Specialties (www.abms.org).
- Ask how often they have done the procedure you need and their success rate. You may be able to find some of this information on the Internet. For example, the Centers for Disease Control reports the



success rates and number of procedures performed by fertility clinics at www.cdc.gov. Some states collect and post data on the success of heart-bypass surgery.

- Check whether there have been any complaints or disciplinary actions taken. Websites that can help are www.docboard.org and www.healthcarechoices.org. There are also pay-for-use sites with similar information such as www.Docinfo.org, and www.checkbook.org.

Visit www.healthfinder.gov for more advice on identifying providers.

FILING A COMPLAINT

If you have a complaint about the medical services you received from a physician, you may file a complaint with your State Medical Board. For a complete directory from the Federation of State Medical Boards, visit www.fsmb.org/directory_smb.html. You can also call the Federation at 817-868-4000 to get the phone number of your State Medical Board.

CHOOSING A HEALTHCARE FACILITY

Report cards are starting to appear on the Internet to help you compare healthcare facilities. Three private websites that rate hospitals based on information collected from Medicare records and other sources are www.usnews.com, www.checkbook.org, and www.healthgrades.com.

The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) accredits hospitals as well as nursing homes and other healthcare organizations. Specially trained investigators assess whether these organizations meet set standards. At www.jcaho.org, you can check on a local facility, including how it compares with others. JCAHO also accepts consumer complaints. You can post a complaint on its website or call 1-800-994-6610.

If you're looking for a nursing home or other assisted living facility, these additional organizations can help.

- **Nursing Home Compare**, operated by the U.S. Department of Health and Human Services, will help you compare the facilities in many states. Go to www.medicare.gov/nhcompare/home.asp, or call 1-800-MEDICARE (633-4227).
- **Eldercare Locator** (www.eldercare.gov) another service of the U.S. Department of Health and Human Services, provides information and referral services for those seeking local and state support resources for the elderly. See page 111.
- **The American Association of Homes and Services for the Aging** (www.aahsa.org) is a trade group that represents many nonprofit facilities (p. 160).
- **The Assisted Living Federation of America** (www.alfa.org) represents both for-profit and nonprofit assisted-living facilities. Phone: 703-691-8100.
- **The Commission on Accreditation of Rehabilitation Facilities**, www.carf.org, gives its seal of approval to qualifying facilities. Phone: 1-888-281-6531.

PRESCRIPTION DRUGS

Pharmacies may charge widely different prices for the same medicine, so it's a good idea to comparison shop.

- Ask your physician and pharmacist if a generic drug could be appropriate. Generics usually cost less than brand name drugs. Many insurance companies use a multi-tier co-payment plan for prescription drugs. Be sure to ask before filling the prescription.

MEDICAL FACILITIES: STATISTICS

Get statistics on medical facilities at these sites:

www.hcup.ahrq.gov is a free on-line query system that provides access to health statistics and information on hospital stays at the national, regional, and state level.

www.USA.gov offers information on health facilities in your area and health issues by age group.

www.aha.org is the website of the American Hospital Association.

www.citizen.org links to a public interest organization that provides information on medical board disciplinary actions.

- Consider using a mail-order or online pharmacy, especially if you will be taking a drug for a long time. They often charge less.

An increasing number of consumers are replacing a trip to the pharmacy with a trip on the Internet. While there are online pharmacies that provide legitimate prescription services, there are also some questionable sites that make buying medicines online risky. Do business only with a licensed U.S. pharmacy. Check with the National Association of Boards of Pharmacy to determine if the site is licensed and in good standing. Visit www.nabp.net or call 847-391-4406.

An online pharmacy should offer you access to a registered pharmacist who can answer any questions you might have about drug interactions, side effects, etc. Be wary of sites that:

- Sell drugs without a prescription
- Sell drugs not approved by the FDA
- Advertise quick cures
- Tell stories of “amazing results”

If you suspect a site is not a licensed pharmacy, report it and any complaints to the U.S. Food and Drug Administration p. 111) at www.fda.gov/oc/buyonline/buyonlineform.htm.

Want to know the side effects of a particular medication? Curious whether a drug has been approved by the U.S. Food and Drug Administration? For answers to these questions, and other information on approved prescription, over-the-counter and discontinued drugs, visit www.accessdata.fda.gov/scripts/cder/drugsatfda. For general drug information, you can also contact the FDA (p. 111).

MEDICARE PRESCRIPTION DRUG COVERAGE

Medicare offers prescription drug coverage to help you get the prescription drugs you need. Everyone with Medicare can join a drug plan to get this coverage. If you aren't sure if a drug plan is approved by Medicare, call 1-800-MEDICARE (1-800-633-4227). All drug plans approved by Medicare may use this seal on their materials:



Like other insurance, if you decide not to enroll in a drug plan when you are first eligible, you might pay a penalty if you choose to join later. If you have limited income and resources, you may get extra help to cover prescription drugs for little or no cost.

For more information, contact the Centers for Medicare and Medicaid Services (p. 111).

HOUSING

The U.S. Department of Housing and Urban Development (HUD, p. 113) funds housing counseling agencies throughout the country. These organizations can give you advice on buying a home, renting, defaults, foreclosures, credit issues and reverse mortgages. To contact the agency nearest you, call 1-800-569-4287 or visit www.hud.gov. Homeowners with problems that could result in default of their mortgage or foreclosure on their property are encouraged to contact a HUD-approved housing counseling agency immediately.

If, in your housing search, you believe you are being discriminated against on the basis of your race, color, nationality, religion, sex, familial status, or disability, contact HUD's Office of Fair Housing (p. 114).

BUYING A HOME

Buying a home is one of the most complex financial decisions you'll ever make.

- Real estate agents represent the seller not the buyer. Consider hiring an agent who works for you, not the seller.
- Get prices on other homes. Knowing the price of other homes in a neighborhood will help you avoid paying too much.
- Have the property inspected. Use a licensed home inspector to carefully inspect the property before agreeing to buy it.

Shopping around for a home loan or mortgage will help you to get the best financing deal. A mortgage, whether it's a home purchase, a refinancing, or a home equity loan, is a product, just like a car, so the price and terms may be negotiable. You'll want to compare all the costs involved in obtaining a mortgage.

Shopping, comparing, and negotiating may save you thousands of dollars.

Mortgage financing options are much more diverse than many borrowers think. There is a wide variety of mortgage products available including: fixed rate conventional mortgages, adjustable rate mortgages (ARM), FHA loans, VA loans, interest-only mortgages, jumbo mortgages, two-step mortgages, balloon mortgages, assumable mortgages, construction mortgages, no-down-payment mortgages and seller financing.

HOUSING

When shopping for a home mortgage, make sure you obtain all of the relevant information:

- **Research current interest rates.** Check the real estate section of your local newspaper, use the Internet, or call at least six lenders for information.
- **Check the rates for 30-year, 20-year and 15-year mortgages.** You can save thousands of dollars in interest charges by getting the shortest-term mortgage you can afford.
- **Ask for details on the same loan amount, loan term, and type of loan from multiple lenders** so that you can compare the information. Be sure to get the Annual Percentage Rate (APR), which takes into account not only the interest rate but also points, broker fees, and other credit charges expressed as a yearly rate.
- **Ask whether the rate is fixed or adjustable.** The interest rate on adjustable rate mortgage loans (ARMs) can vary a great deal over the lifetime of the mortgage. An increase of several percentage points might raise payments by hundreds of dollars per month.
- **If a loan has an adjustable rate,** ask when and how the rate and loan payment could change.
- **Find out how much down payment is required.** Some lenders require 20 percent of the home's purchase price as a down payment. But many lenders now offer loans that require less. In these cases, you may be required to purchase private mortgage insurance (PMI) to protect the lender if you fall behind on payments.
- **If PMI is required, ask what the total cost of the insurance will be.** How much will the monthly mortgage payment be when the PMI premium is added and how long you will be required to carry PMI?
- **Ask if you can pay off the loan early** and if there is a penalty for doing so.

In addition, there is a long list of sources for mortgages loans: mortgage banks, mortgage brokers, banks, thrifts and credit unions, home builders, real estate agencies and Internet lenders.

BEWARE: DOUBLE DIPPING

If you're working with a broker, the National Consumer Law Center (p. 125) recommends you demand to know how much the broker is making from the lender as well as from any fees you might be paying. It's best to get this information upfront and in writing. Avoid a broker who is double-dipping—getting a fat premium from the lender, as well as fees from you.

MORTGAGE REFINANCING

Consider refinancing your mortgage if you can get a rate that is at least one percentage point lower than your existing mortgage rate and if you plan to keep the new mortgage for several years. When comparing mortgages, don't forget to include the extra fees you must pay for the new mortgage. You may be able to get some fees waived if you are able to refinance with your current mortgage holder.

Before choosing a lender, do your research:

- **Get recommendations.** Ask friends and family members for suggestions, especially if they've recently obtained a loan.
- **Check credentials.** Mortgage bankers are regulated by either your state's department of banking or division of real estate. Check with the appropriate regulator to see if a lender is in good professional standing. Mortgage brokers may be state regulated or not. If not, check with the local chapter of the National Association of Mortgage Brokers or the Better Business Bureau to see if their record is clean.
- **Do your homework.** Learn about typical mortgages and ask questions when something looks amiss; a broker may be trying to pad closing costs or other fees at your expense.
- **Take care online.** There are plenty of attractive deals online, but first make sure you're dealing with a reliable broker or lender.

The Real Estate Settlement Procedures Act (RESPA) requires lenders to give you information on all closing costs and escrow account practices. Any business relationships between the lender and closing service providers or other parties to the transaction must also be disclosed. Many of the fees are negotiable. More information is available from the Federal Trade Commission (p. 119), the Federal Reserve Board (p. 119), and the Department of Housing and Urban Development (p. 113).

For more information on home buying and mortgages, visit Fannie Mae's website at www.fanniemae.com or call 202-752-7000. The Mortgage Bankers Association also offers their website, www.stopmortgagefraud.com.

AVOIDING FORECLOSURE

If you miss your mortgage payments, foreclosure may occur. This is the legal means your lender can use to repossess your home. If you owe more than your property is worth, a deficiency judgment is pursued. Both foreclosures and deficiency judgments have

a negative impact on your future credit. You should avoid foreclosure if at all possible.

Three steps can help:

- **Do not ignore the letters from your lender.** If you're having problems making your payments, call or write to your lender's Loss Mitigation Department without delay. Explain your situation. Be prepared to provide them with financial information, such as your monthly income and expenses. Without this information, they may not be able to help.
- **Stay in your home for now.** You may not qualify for assistance if you abandon your property.
- **Contact a HUD-approved housing counseling agency.** Call 1-800-569-4287 or TDD 1-800-877-8339 for the housing counseling agency nearest you. These agencies are valuable resources.

They frequently have information on services and programs offered by government agencies as well as private and community organizations that could help you. The housing counseling agency may also offer credit counseling. These services are usually free of charge.

For more information, resources are available at the following agencies:

- The U.S. Department of Housing and Urban Development (p. 113)
- The Federal Trade Commission (p. 119)

Additional advice, resources and tips for homeowners can be found under Home Equity Loans (p. 16), Insurance (p. 29), and Home Repairs below.

REVERSE MORTGAGES

A reverse mortgage is a home loan that you don't have to pay back for as long as you live in your home. The loan and interest is repaid only when you die, sell your home or permanently move away. Only homeowners who are at least 62 years old are eligible. These mortgages can help homeowners who are house-rich, but cash-poor stay in their homes and meet their financial needs.

There are three types of reverse mortgages: federally insured reverse mortgages, proprietary reverse mortgages and single-purpose reverse mortgages. As with any mortgage it is important to be a savvy consumer and shop for the best deal.

Check the directory for the following resources that provide comprehensive and reliable information:

- The Federal Trade Commission (p. 119)
- The Department of Housing and Human Development (p. 113)
- AARP (p. 122)



HOME IMPROVEMENT AND REPAIRS

Home improvements and repairs can cost thousands of dollars and are the subject of frequent complaints.

When selecting a contractor:

- **Get recommendations and references.** Talk to friends, family and others who have used the contractor for similar work.
- **Get at least three written estimates.** Insist the contractors come to your home to evaluate what needs to be done. Be sure all the estimates are based on the same work, so you can make meaningful comparisons.
- **Check contractor complaint records** with your state or local consumer protection agency (p. 127) or Better Business Bureau (p. 65).
- **Make sure the contractor meets licensing and registration requirements.** Your state or local consumer protection agency (p. 127) can help you find out what the necessary requirements are.
- **Get the names of suppliers** and ask if the contractor makes timely payments.
- **Contact your local building inspection department** to check for permit and inspection requirements. Be wary if the contractor asks you to get the permit; it could mean the firm is not licensed.

HOUSING

- **Be sure your contractor is insured.** They should have personal liability, property damage and worker's compensation insurance for workers and subcontractors. Also check with your insurance company to find out if you are covered for any injury or damage that might occur.
- **Insist on a written contract** that states exactly what work will be done, the quality of materials that will be used, warranties, timetables, the names of any subcontractors, the total price of the job, and the schedule of payments.
- **Try to limit your down payment.** Some states have laws limiting the amount of down payment required.
- **Understand your payment options.** Compare the cost of getting your own loan versus contractor financing.
- **Don't make a final payment or sign a final release until you are satisfied** with the work and know that subcontractors and suppliers have been paid. Some state laws allow unpaid subcontractors and suppliers to put a lien on your home for bills the contractor failed to pay.
- **Pay by credit card when you can.** You may have the right to withhold payment to the credit card company until problems are corrected, see page 12.

Be especially cautious if the contractor:

- Comes door-to-door or seeks you out
- Just happens to have material left over from a recent job
- Tells you the job will be a "demonstration"

- Offers you discounts for finding other customers
- Quotes a price that's out of line with other estimates
- Pressures you for an immediate decision
- Can only be reached by leaving messages with an answering service
- Drives an unmarked van
- Has out-of-state license plates
- Asks you to pay for the entire job up front

With most home improvements, federal law gives you three business days to cancel without penalty. See: 3-Day Cooling-Off Rule (p. 42). Of course you would be liable for any benefit already received. State laws may also provide some protection. And remember, if you finance home improvements with a home equity loan and don't make your payments, you could lose your home. See Home Equity Loans (p. 16).

RENTING/LEASING

A lease is an agreement that outlines the obligations of the owner and the tenants of a house or apartment. It is a legally binding document that courts will generally uphold in legal proceedings, so it is important for you to know the exact terms of the lease agreement before you sign it. The lease should state every agreement that you believe exists between you and the landlord. Some things to look for in a lease:

- Clauses that allow the landlord to change the terms of the lease after it is signed
- Requirements/responsibilities of the tenants to do routine repairs such as lawn maintenance, cleaning or notification of repairs

TEN TIPS FOR RENTERS

- The best way to win over a prospective landlord is to be prepared by bringing with you a completed rental application; written references from previous landlords, employers, friends and colleagues; and a current copy of your credit report.
- Carefully review all the important conditions of the lease before you sign.
- To avoid disputes or misunderstandings with your landlord, get everything in writing.
- Ask about your privacy rights before you sign the lease.
- Know your rights to live in a habitable rental unit—and don't give them up.
- Keep communication open with your landlord.
- Purchase renter's insurance to cover your valuables.
- Make sure the security deposit refund procedures are spelled out in your lease or rental agreement.
- Learn whether your building and neighborhood are safe, and what you can expect your landlord to do about it if they aren't.
- Know when to fight an eviction notice and when to move. Unless you have the law and provable facts on your side, fighting an eviction notice is usually shortsighted.

- Restrictions that would prevent you from living normally or comfortably in the home
- Term of the lease and any important dates such as when the rent is due, or garbage pick up days

Anything that is not clearly understood or agreeable should be changed or removed. All landlord responsibilities should be clearly stated. Always get a copy of the signed lease to keep in your records. Any clause or terms in the agreement affects ALL parties who sign.

Tenants who lease or rent property are protected against discrimination by the Fair Housing Act. If you think your rights have been violated, you may write a letter or telephone the HUD office nearest you (p. 113). You have one year after the alleged violation to file a complaint with HUD, but you should file as soon as possible.

Each state has its own tenant rights, laws and protections. For a state-by-state directory, visit www.hud.gov/local. You can also find public housing that is available at www.hud.gov. The agency offers several housing assistance programs for tenants and landlords.

INSURANCE

General sources of insurance information include the American Council of Life Insurers (p. 161), the Insurance Information Institute (p. 163), the National Association of Insurance Commissioners (p. 163), and your state insurance department (p. 147). You can also visit www.insure.com.

When buying insurance, whether it's home, life, auto, rental or other:

- Find out whether your state insurance department offers any information concerning insurance companies and rates (p. 147). This is a good way to get a feeling for the range of prices and the lowest-cost providers in your area.
- Check several sources for the best deal. Try getting quotes from a website such as www.insweb.com, but be aware that many online services may provide prices for just a few companies. An independent insurance agent that works with several insurers in your local area might be able to get you a better deal.
- Make sure the insurance company is licensed and covered by the state's guaranty fund. The fund pays claims in case the company defaults. Your state insurance department (p. 147) can provide this information.
- Check the financial stability and soundness of the insurance company. Ratings from A.M. Best (www.ambest.com), Standard & Poor's

(www.standardandpoors.com), Moody's Investors Services (www.moody.com), and Weiss Ratings, Inc. (www.weissratings.com) are available online and at most public libraries.

- Research the complaint record of the company. Contact your state insurance department (p. 147), or visit the website of the National Association of Insurance Commissioners (www.naic.org), which has a database of complaints filed with state regulators.
- Find out what others think about the company's customer service. Consumers can rate homeowner insurance companies at www.jdpower.com/homes/insuranceratings.
- Once you pay your first insurance premium, make sure you receive a written policy. This tells you the agent forwarded your premium to the insurance company. If you don't receive a policy within 60 days, contact your agent and the insurance company.

AUTO INSURANCE

Getting several quotes on insurance for a motor vehicle may save you hundreds of dollars a year. Other ways to reduce your insurance premium are:

- **Raise your deductibles on collision and comprehensive coverages.** If you have an old car, you might want to drop these coverages altogether.
- **Take advantage of discounts.** Some companies offer discounts to motorists who drive less than a certain amount of miles per year, are students with good grades, have taken a safe-driving course or

INSURANCE TIPS

- Be wary of people selling insurance door-to-door and over the telephone.
- Be suspicious if, after an accident, a stranger contacts you to offer "quick cash" or recommends a particular attorney or healthcare provider. Report the incident to your police department.
- Don't give your insurance identification numbers to companies you don't know.
- Carry a disposable camera in your glove compartment. If you are in an accident, take pictures of the damage and the people involved. Ask for names, telephone numbers and driver's license information for all those involved. Getting contact information for any witnesses is also a good idea.

If you suspect fraud, call the National Insurance Crime Bureau's hotline at 1-800-835-6422. For more information, check out www.insurancefraud.org.



are over 50 years old. You might also be able to get discounts if you insure more than one vehicle, insure your vehicle and your home with the same company, have had no moving vehicle violations or accidents in three years, have anti-theft devices or have safety features such as air bags.

Shopping for and buying insurance on the Internet offers consumers a new level of convenience, but you need to protect yourself when purchasing insurance online. Do your research, double-check the company and agent, update your browser (newer browsers are equipped with security measures that alert you to insecure sites), get all quotes and policy information in writing and keep detailed records. Go to your state insurance department for more information on company and agent requirements (p. 147).

You can also find valuable information about car ownership in the Cars section (p. 6).

DISABILITY INSURANCE

Disability can be more disastrous financially than death. If you are disabled, you lose your earning power, but you still have living expenses and often huge expenses for medical care. When purchasing disability insurance, ask:

- **How is disability defined?** Some policies consider you disabled if you are unable to perform the duties of any job. Better plans pay benefits if you are unable to do the usual duties of your own occupation.
- **When do benefits begin?** Most plans have a waiting period after an illness before payments begin.
- **How long do benefits last?** After the waiting period, payments are usually available till you reach age 65, though shorter or longer terms are also available.

- **What dollar amount is promised?** Can benefits be reduced by Social Security disability and workers' compensation payments? Are the benefits adjusted for inflation? Will the policy provider continue making contributions to your pension plan so you have retirement benefits when the disability coverage ends?

For more information on disability insurance, visit www.iii.org and www.hiaa.org.

HEALTH INSURANCE

Most consumers have healthcare coverage from an employer. Others have medical care paid through a government program such as Medicare (p. 111), Medicaid (p. 111), or the Veterans Administration (p. 117).

If you have lost your group coverage from an employer as the result of unemployment, death, divorce, or loss of "dependent child" status, you may be able to continue your coverage temporarily under the Consolidated Omnibus Budget Reconciliation Act (COBRA). You, not the employer, pay for this coverage. When one of these events occurs, you must be given at least 60 days to decide whether you wish to purchase the coverage.

Some states offer an insurance pool to residents who are unable to obtain coverage because of a health condition. To find out if a pool is available in your state, check with your state department of insurance (p. 147).

Most states also offer free or low-cost coverage for children who do not have health insurance. Visit www.insurekidsnow.gov or call 1-877-KIDS-NOW (543-7669) for more information.

HEALTHCARE PLANS

When purchasing health insurance, your choices will typically fall into one of three categories:

- **Traditional fee-for-service health insurance plans** are usually the most expensive choice. But they offer you the most flexibility when choosing healthcare providers.
- **Health Maintenance Organizations (HMOs)** offer lower co-payments and cover the costs of more preventative care, but your choice of healthcare providers is limited. The National Committee for

MEDICARE BENEFICIARIES

Medicare beneficiaries can compare HMO programs at www.medicare.gov and www.medicarenewswatch.com, or by calling Health Metrix Research Inc. at 1-888-223-3515.

Quality Assurance evaluates and accredits HMOs. You can find out whether one is accredited in your state by calling 1-888-275-7585. You can also get this information as well as report cards on HMOs by visiting its website (www.ncqa.org).

- **Preferred Provider Organizations (PPOs)** offer lower co-payments like HMOs, but give you more flexibility when selecting a provider. A PPO gives you a list of providers you can choose from.

WARNING: If you go outside the HMO or PPO network of providers, you may have to pay a portion or all of the costs.

When choosing among different healthcare plans, you'll need to read the fine print and ask lots of questions, such as:

- Do I have the right to go to any doctor, hospital, clinic or pharmacy I choose?
- Are specialists such as eye doctors and dentists covered?
- Does the plan cover special conditions or treatments such as pregnancy, psychiatric care and physical therapy?
- Does the plan cover home care or nursing home care?
- Will the plan cover all medications my physician might prescribe?
- What are the deductibles? Are there any co-payments?
- What is the most I will have to pay out of my own pocket to cover expenses?
- Are there any limits on expenses covered in a year? In my lifetime?
- If there is a dispute about a bill or service, how is it handled? In some plans, you may be required to have a third-party decide how to settle the problem.

HOMEOWNER/RENTER'S INSURANCE

You may be able to save hundreds of dollars a year on homeowners insurance by shopping around. You can also save money with these tips.

- **Consider a higher deductible.** Increasing your deductible by just a few hundred dollars can make a big difference in your premium.
- **Ask your insurance agent about discounts.** You may be able to get a lower premium if your home has safety features such as dead-bolt locks, smoke detectors, an alarm system, storm shutters or fire retardant roofing material. Persons over 55 years of age or long-term customers may also be offered discounts.

The Insurance Information Institute is a resource of more in-depth information on insurance, www.iii.org. See page 163 for additional contact information.

- **Insure your house NOT the land under it.** After a disaster, the land is still there. If you don't subtract the value of the land when deciding how much homeowner's insurance to buy, you will pay more than you should.
- **Don't wait till you have a loss** to find out if you have the right type and amount of insurance.
- **Make certain you purchase enough coverage to replace what is insured.** "Replacement" coverage gives you the money to rebuild your home and replace its contents. An "Actual Cash Value" policy is cheaper but pays only what your property is worth at the time of loss—your cost minus depreciation for age and wear.
- **Ask about special coverage you might need.** You may have to pay extra for computers, cameras, jewelry, art, antiques, musical instruments, stamp collections, etc.
- **Remember that flood and earthquake damage are not covered by a standard homeowners policy.** The cost of a separate earthquake policy will depend on the likelihood of earthquakes in your area. Homeowners who live in areas prone to flooding should take advantage of the National Flood Insurance Program (p. 112).
- **If you are a renter, do not assume your landlord carries insurance** on your personal belongings. Purchase a separate policy for renters.

LIFE INSURANCE

Your need for life insurance will change with changes in your life. For example, the arrival of children usually triggers a sharp increase in the amount you need. As children grow older and leave the nest, you will probably need less protection.

Term life insurance policies are the least costly. They pay death benefits but have no cash value if you decide to stop making payments. As the word "term" suggests, these policies are in effect for a specific period of time—one year or until you reach a certain age are common. Visit www.accuquote.com for online comparisons of term life insurance.

Whole life, universal life, and other cash value policies combine a long-term savings and investment product with life insurance. Canceling these policies after only a few years can more than double your life insurance costs.

LONG-TERM CARE INSURANCE

Medical advances have resulted in an increased need for nursing home care and assisted living. Most health insurance plans and Medicare severely limit or exclude long-term care. Here are some questions to ask when considering a separate long-term care insurance policy.

- **What qualifies you for benefits?** Some insurers say you must be unable to perform a specific number of the following activities of daily living: eating, walking, getting from bed to a chair, dressing, bathing, using a toilet and remaining continent.
- **What type of care is covered?** Does the policy cover nursing home care? What about coverage for assisted living facilities that provide less client care than a nursing home? If you want to stay in your home, will it pay for care provided by visiting nurses and therapists? What about help with food preparation and housecleaning?
- **What will the benefit amount be?** Most plans are written to provide a specific dollar benefit per day. The benefit for home care is usually about half the nursing-home benefit. But some policies pay the same for both forms of care. Other plans pay only for your actual expenses.
- **What is the benefit period?** It is possible to get a policy with lifetime benefits but this can be very expensive. Other options for coverage are from one to six years. The average nursing home stay is about 2.5 years.
- **Is the benefit adjusted for inflation?** If you buy a policy prior to age 60, you face the risk that a fixed daily benefit will not be enough by the time you need it.
- **Is there a waiting period before benefits begin?** A 20 to 100 day period is not unusual.

OTHER INSURANCE

- **Travel Insurance.** There are four kinds of travel insurance: Travel Cancellation Insurance, Baggage or Personal Effects Coverage, Emergency Medical Coverage and Accidental Death. One helpful website is www.insuremytrip.com. See page 45 for additional insight on travel concerns and problems.
- **Identity Theft Insurance.** This type of insurance provides reimbursement to crime victims for the cost of restoring their identity and repairing credit reports. Some companies now include this as part of their homeowner's insurance policy. Others sell it as a stand-alone policy. Ask your homeowner policy company for information.
- **International Healthcare Insurance.** A policy that provides health coverage no matter where you are in the world. The policy term is flexible so

you can purchase only for the time you will be out of the country. Check online or write your current healthcare provider for coverage information.

- **Liability Insurance.** Insurance for what the policyholder is legally obligated to pay because of bodily injury or property damage caused to another person. Search online or ask your personal insurance agent for more information.

INTERNET

CHOOSING SERVICE PROVIDERS

With thousands of Internet Service Providers (ISPs) offering to connect you and your computer to the Internet, choosing the ISP that is right for you can be overwhelming. Some ISPs are very large and well known, such as AOL, MSN, and Earthlink, while others are literally one-person operations. Some companies strictly limit their service to providing Internet access. Others, like your telephone and cable company, may offer Internet access as part of a much larger package.

If you have limited Internet expertise, you may want to start with one of the well-known ISPs. They usually offer user-friendly startup software. This software often includes features such as a browser, instant messaging, parental controls, and pop-up blockers. Many also offer 24 hour tech support, which can help when difficulties arise outside of normal business hours. Of course, all of this convenience results in higher monthly user fees. Once you are comfortable with how the Internet works, you may discover you don't need all the 'extras' and switch to a lower-cost ISP.

Whatever your present level of expertise, you will want to consider these factors when selecting a provider.

- **Speed.** For a dial-up modem, does the ISP provide a 56k connection—the maximum speed ordinary phone lines can handle? For a faster connection, you will have to consider moving up to “broadband Internet access,” which lets you access the Internet



via high-speed technologies, such as a digital subscriber line (DSL), a cable modem, or satellite.

- **Availability.** For dial-up service, is there a local phone number for access? If you travel, will there be local numbers or a toll-free number that you can call?
- **Modem Ratio.** Since not all users are online at the same time, it is not necessary for an ISP to have a modem for every user. But they should have a user to modem ratio of 10 to 1 or better. The lower the number of users per modem, the better your chance of being able to connect at peak hours.
- **E-mail.** How many e-mail accounts come with the service? What will be the storage limit on your mailbox? How many days does the ISP keep your mail before deleting it?
- **Website space.** Do you want to create a personal website? If so, find out whether your provider offers web space and software to create your page.
- **Software.** Is there any software required to activate the service? How do you get it? How large is the software? Can you use whatever browser or e-mail program you'd like?
- **Support.** What kinds of support are available—phone, e-mail, chat, etc.? What are the hours of support? Are there any additional charges for support?
- **Special features.** What services are provided in terms of spam blocking, virus protection, instant messaging, and chat rooms?
- **Terms of service.** Is there a limit to the number of hours per month you can use the service?
- **Cost.** What is the monthly fee for the service? Are there any additional equipment or setup fees? What is the fee for extra e-mail accounts?

ONLINE FILE SHARING

Peer-to-peer (P2P) file sharing allows users to share files online through an informal network of computers running the same software. Every day, millions of computer users share files online. Whether it is music, games, or software, file sharing can give people access to a wealth of information. Users download special software that connects their computers to an informal network of other computers running the same software. Millions of users could be connected to each other through this software at one time. The software is often free and easy to access.

However, file sharing can have a number of risks. For example, when you are connected to file-sharing programs, you could unknowingly allow others to copy private files you never intended to share. You could download material that is protected by copyright laws and find yourself mired in legal issues. You could



download a virus or facilitate a security breach. Or you could unwittingly download pornography labeled as something else.

To secure the personal information stored on your computer, the FTC suggests that you:

- Set up the file-sharing software very carefully.
- Be aware of spyware.
- Close your connection when you're not using it.
- Use an effective anti-virus program and update it regularly.
- Talk with your family about file sharing.

For more complete information on P2P, visit www.onguardonline.gov.

ONLINE COPYRIGHT ISSUES

Quite simply, to make or download unauthorized copies of software is to break the law, no matter how many copies are involved. Whether you are casually making a few copies for friends, loaning disks, distributing and/or downloading pirated software via the Internet, or buying a single software program and then installing it on 100 computers, you are committing a copyright infringement. It doesn't matter if you make money or not. If you or your company is caught copying software, you could be held liable under both civil and criminal law.

If the copyright owner brings a civil action against you, the owner can stop you from using its software immediately and can also request monetary damages. The copyright owner can sue for as much as \$150,000 for each program copied. In addition, the government can criminally prosecute you for copyright infringement. If convicted, you can be fined up to \$250,000, be sentenced to jail for up to five years, or both.

For more information visit www.cybercrime.gov, a site sponsored by the U.S. Department of Justice (p. 114) or www.bsa.org, a site on online piracy issues managed by the Business Software Alliance.

SAFER COMPUTING

Thanks to the Internet, you can order books, clothes, or appliances online; reserve a hotel room across the ocean; download music and games; check your bank balance 24 hours a day; or access your workplace from thousands of miles away. The flip-side, however, is that the Internet, and the anonymity it affords, can give online scammers, hackers, and identity thieves access to your computer, personal information, finances, and more. But with awareness as your safety net, you can minimize the chance of an Internet mishap. To be safer and more secure online, adopt these seven practices:

- Protect your personal information. It's valuable.
- Know with whom you're dealing.
- Use anti-virus and anti-spyware software, as well as a firewall, and update them all regularly.
- Make sure your operating system and web browser are set up properly and update them regularly.
- Protect your passwords.
- Back up important files.
- Learn who to contact if something goes wrong online.

The FTC (p. 119) offers a publication online called *Stop, Think, Click* with specifics on safer computing; to order, visit www.OnGuardOnline.gov. To keep up to date with information about the latest computer threats, sign up for alerts from the Department of Homeland Security at www.US-CERT.gov.

- **OnGuardOnline.gov**, managed by the FTC, provides practical tips from the federal government and the technology industry to help you be on guard against Internet fraud, secure your computer, and protect your personal information.

Here are some other sources on protecting yourself and your family while using the Internet.

- **GetNetWise** (www.getnetwise.org) is a public service sponsored by Internet industry corporations and public interest organizations to help ensure that Internet users have safe, constructive, and educational or entertaining online experiences.

SOCIAL NETWORKING ONLINE

Social networking sites such as Facebook, Xanga and MySpace are the hippest new "meet markets," especially among tweens, teens and 20-somethings. While these sites can increase a person's circle of friends, they also increase exposure to people with less-than-friendly intentions, including sexual predators. Visit www.onguardonline.gov to learn how to help your kids socialize safely online.



- **Internet Keep Safe Coalition** (www.iKeepSafe.org), the home of Faux Paw the Techno Cat, is a coalition of 49 governors/first spouses, law enforcement, the American Medical Association, the American Academy of Pediatrics, and other associations dedicated to helping parents, educators, and caregivers by providing tools and guidelines to teach children the safe and healthy use of technology.
- **National Cyber Security Alliance** (www.staysafeonline.org) is a nonprofit organization that provides tools and resources to empower home users, small businesses, and schools, colleges, and universities to stay safe online.
- **Staysafe** (www.staysafe.org) is an educational site intended to help consumers understand the positive aspects of the Internet, as well as how to manage a variety of safety and security issues that exist online.
- **Wired Safety** (www.wiredsafety.org) is an Internet safety and help group comprised of unpaid volunteers around the world that provides education, assistance, and awareness on all aspects of cyber crime and abuse, privacy, security, and responsible technology use. Wired Safety is the parent group of www.Teenangels.org, FBI-trained teens and preteens who promote Internet safety.

ONLINE AUCTIONS AND SELLERS

Many private sellers sell items on the Internet through auctions, classified ads, newsgroups, and chat rooms. Unfortunately, these types of sales are a very common type of Internet fraud. Resolving disputes can be difficult when the seller is in a different part of the country. Be aware that government agencies may not be able to help you since many laws don't apply to sales between individuals. Follow this advice, as well as the general tips on shopping from home (p. 41).

- **Know your seller.** If you don't, do some research.
 - Company websites often provide information in a section called "About Us." Some online sellers

participate in programs such as BBBOnLine that help resolve problems. Look for a logo or endorsement seal on the company website. This is an indication, but not a guarantee, of the seller's reliability.

- Check with state and/or local consumer offices.
- Another way to check online sellers is to look for other consumers' comments. Visit www.bizrate.com where consumers rate online stores. Some Internet auction sites post ratings of sellers based on comments by buyers. This information may give you some idea of how you'll be treated, but beware of too many glowing stories that might have been placed by sellers themselves.
- **Protect your personal information.** Use a secure website to help protect your credit card from misuse. For more advice concerning privacy on the Internet, see *Online Privacy* (p. 41).
- **Never send your credit card number by e-mail** because e-mails are not secure. If you are not comfortable providing your credit card number online, ask whether you can call or fax it.
- **Check how the auction works.** Can you cancel a bid? Don't assume that the rules used by one auction site apply to another. Some sites offer step-by-step instructions that will take you through the bidding process.
- **Find out what protections you have.** Does the site provide free insurance or guarantees for items that are not delivered or not as described?
- **Follow the strategies used in any auction.** Learn the value of the item you are bidding on. Establish your top price and stick to it.

- **Don't bid on an item you don't intend to buy.** If you're the highest bidder, you have bought it. Auction companies often bar those who back out of a deal from future bidding.
- **If the seller can't accept payment by credit card, use an escrow service.** Your money is held by a third-party until you get your purchase and approve release of your payment to the seller. There is a small fee, but the peace of mind is worth it. Auction company eBay recommends www.Escrow.com, which is backed by Fidelity National Financial Corporation.
- **Be wary of sellers who insist you use a specific escrow service,** especially if you have never heard of that particular service before. Check out the escrow service just like you check out sellers of other services. If a company's website has grammar and other simple mistakes, be wary, you might not be dealing with a legitimate company.

For more information about shopping online, visit www.ftc.gov/bcp/conline/pubs/online/payments.htm and www.safeshopping.org. Also see *Shopping from Home* on page 41.

SPAM

E-mail spam is not just unwanted, it can be offensive. Pornographic spam causes many consumer complaints. Decrease the number of spam e-mails you receive by making it difficult for spammers to get and use your e-mail address.

- Don't use an obvious e-mail address, such as JaneDoe@isp.com. Instead use numbers or other digits, such as Jane4oe6@isp.com.
- Use one e-mail address for close friends and family and another for everyone else. Free addresses are

BE SUSPICIOUS OF MASS E-MAILS

Many mass e-mails contain false alarms, misleading requests for donations or fictitious offers of money and free goods. You can check the validity of almost any mass e-mail at www.Snopes.com. Don't forward an e-mail unless you're sure that it contains accurate information. Not only do such e-mails confuse recipients, they are often used to collect e-mail addresses for spammers.

PHISHING IS A GROWING PROBLEM

"Phishing" is the use of fraudulent e-mail designed to steal identities as well as vital personal information such as credit card numbers, bank account PINS and passwords. Phishing e-mails often ask you to verify this type of information. Legitimate companies never ask for your password or account number via e-mail. If you're not sure, call the company directly.

Phishing is one of the fastest-growing scams, and the 4th most frequent complaint received by the National Consumers League. Worse, it's getting tougher for consumers to accurately spot fake e-mails.

DON'T TAKE THE BAIT

Don't reply to e-mail messages that claim your credit card information or other personal information needs to be updated.

available from Yahoo! and Hotmail. You can also get a disposable forwarding address from www.spammotel.com. If an address attracts too much spam, get rid of it and establish a new one.

- Don't post your e-mail address on a public web page. Spammers use software that harvests text addresses. Substitute "janedoe at isp.com" for "janedoe@isp.com." Or display your address as a graphic image, not text.
- Don't enter your address on a website before you check its privacy policy.
- Uncheck any check boxes. These often grant the site or its partners permission to contact you.
- Don't click on an e-mail's "unsubscribe" link unless you trust the sender. This action tells the sender you're there.
- Never forward chain letters, petitions or virus warnings. All could be a spammer's trick to collect addresses.
- Disable your e-mail "preview pane." This stops spam from reporting to its sender that you've received it.
- Choose an Internet Service Provider (ISP) that filters e-mail. If you get lots of spam, your ISP may not be filtering effectively.
- Use spam-blocking software. Web browser software often includes free filtering options. You can also purchase special software that will accomplish this task.
- Report spam. Alert your ISP that spam is slipping through its filters. The Federal Trade Commission (FTC) also wants to know about "unsolicited commercial e-mail." Forward spam to uce@ftc.gov.

Some e-mail users have lost money to bogus offers that arrived as spam in their in-box. Con artists are very cunning; they know how to make their claims seem legitimate. Some spam messages ask for your business, others invite you to a website with a detailed pitch. Either way, these tips can help you avoid spam scams:

- **Protect your personal information.** Share credit card or other personal information only when you're buying from a company you know and trust.
- **Know with whom you're dealing.** Don't do business with any company that won't provide its name, street address, and telephone number.
- **Take your time.** Resist the urge to "act now" despite the offer and terms. Once you turn over your money, you might never get it back.

- **Read the small print.** Get all promises in writing and review them carefully before you make a payment or sign a contract.
- **Never pay for a "free" gift.** Disregard any offer that asks you to pay for a gift or prize. If it's free or a gift, you shouldn't have to pay for it. Free means free.

The FTC has many online publications about Internet usage topics including online auctions, e-mail, spam, shopping and privacy protection. Visit www.ftc.gov.

INVESTING

Investors today have a wide range of choices: stocks, bonds, mutual funds, Treasury securities (including savings bonds), options, commodities, commodity futures, real estate investment trusts (REITs), variable annuities and many more. You must investigate before you invest—and remember that every investment involves some degree of risk. These investments are not insured by the federal government if they lose money or fail, even if you purchase them through a bank or credit union that offers federally insured savings accounts.

Make sure you have answers to all of these questions before you invest.

- **How quickly can you get your money back?** Stocks, bonds, and shares in mutual funds can usually be sold at any time, but there is no guarantee you will get back all the money you paid for them. Other investments, such as limited partnerships, often restrict your ability to cash out your holdings.
- **What can you expect to earn on your money?** While bonds generally promise a fixed return, earnings on most other securities go up and down with market changes. Also, keep in mind that just because an investment has done well in the past, there is no guarantee it will do well in the future.
- **What type of earnings can you expect?** Will you get income in the form of interest, dividends or rent? Some investments, such as stocks and real estate, have the potential for earnings and growth in value. What is the potential for earnings over time?
- **How much risk is involved?** With any investment, there is always the risk that you won't get your money back or the earnings promised. There is usually a trade-off between risk and reward: the higher the potential return, the greater the risk. The federal government insures bank savings accounts and backs up U.S. Treasury securities, including savings bonds. See FDIC on page 119 and the chart on page 6 for regulatory information. Other investment options are not protected.



- **Are your investments diversified?** Some investments perform better than others in certain situations. For example, when interest rates go up, bond prices tend to go down. One industry may struggle while another prospers. Putting your money in a variety of investment options can help to reduce your risk.
- **Are there any tax advantages to a particular investment?** U.S. Savings Bonds are exempt from state and local taxes. Municipal bonds are exempt from federal income tax and, sometimes, state income tax as well. For special goals, such as paying for college and retirement, tax-deferred investments are available that let you postpone or even eliminate payment of income taxes.

The Securities and Exchange Commission (SEC) requires public companies to disclose financial and other information to help you make sound decisions. View the text of these files at www.sec.gov/edgar.shtml. Or call the SEC Toll-free Investor Information Service at 1-800-732-0330 to obtain free publications and investor alerts, or to learn how to file a complaint. The Financial Industry Regulatory Authority (FINRA) also provides up-to-date market data and information for a wide range of stocks, bonds, mutual funds, and other securities through its Market Data Center at www.finra.org/marketdata.

The following companies rate the financial condition of corporations and municipalities issuing bonds. Their ratings are available online and at many public libraries.

- Standard & Poor's (www.standardandpoors.com)
- Moody's Investors Services (www.moody.com)
- Weiss Ratings (www.weissratings.com)

For ratings of mutual funds, consult magazines such as *Kiplinger's Personal Finance*, *Money*, *Consumer*

Reports, *Smart Money*, and *Worth*. To compare expenses, use the Financial Industry Regulatory Authority (FINRA) Mutual Fund Expense Analyzer at www.finra.org.

FINANCIAL BROKERS AND ADVISORS

When selecting a broker or investment advisor, research the person's education and professional history as well as the firm they work for. Ask:

- **Have they worked with others** who have circumstances similar to yours?
- **Are they licensed in your state?** Your state securities regulator (p. 152) lists individuals and firms that are registered in your state. Ask if the regulatory office has any other background information. You can find out how to reach your state securities regulator by visiting www.nasaa.org.
- **Have they had any run-ins** with regulators or received serious complaints from investors? Call your local state securities regulator or the SEC. You can also check out www.finra.org/brokercheck or call FINRA toll-free at 1-800-289-9999 to find licensing, employment, and disciplinary information.

BEWARE: INVESTMENT FRAUD

Deceptive pitches for investments often misrepresent or leave out facts in order to promote fantastic profits with little risk. No investment is risk-free and a high rate of return means greater risk. Before investing, get written information such as a prospectus or annual report. Beware if a salesperson:

- Encourages you to borrow money or cash in retirement funds to invest
- Pressures you to invest immediately
- Promises quick profits
- Says that the disclosure documents required by federal law are just a formality
- Tells you to write false information on your account form
- Sends material with typos or misspellings or not printed on letterhead
- Does not send your money promptly
- Offers to share inside information
- Uses words like "guarantee," "high return," "limited offer," or "as safe as a CD"
- Uses the phrase "this investment is IRA approved"
- Claims "off-shore investments are tax-free and confidential"

- **How are they paid?** Is it an hourly rate, a flat fee, or a commission that depends on the investments you make? Do they get a bonus from their firm for selling you a particular product?
- **What are the fees** for setting up and servicing your account?

If you are seeking more information or have an investment advisor problem that you are unable to resolve directly, you can contact the SEC (p. 121) or FINRA (p. 124).

Additional organizations that could also be helpful are:

- www.Bankrate.com offers a semi-annual rating of the top online brokerage firms that trade stocks and mutual funds.
- www.Validea.com offers data on Wall Street analysts and their recent stock picks.
- The Commodity Futures Trading Commission (CFTC) provides consumer alerts and advisories. Click “Consumer Protection” at www.cftc.gov. The Commission oversees the Reparations Program that resolves disputes between commodity customers and commodity professionals. You can institute “reparations” proceedings against commodity professionals registered with the Commission if they violate the anti-fraud or other provisions of the Commodity Exchange Act. To ask a question, report information or submit a complaint, contact the CFTC (p. 107).
- Both the North American Securities Administrators Association (p. 165) and the National Futures Association (p. 165) can offer helpful information.

PHONES

Many consumers are now able to choose both local and long distance phone service providers. These companies offer many optional services such as voicemail, call waiting, caller ID, and wireless services.

Think about how you use the telephone, then you can compare services and prices. You might choose a package deal from one company or services from several companies.

- Who do you call most often?
- What time of day or day of the week do you call?
- Do you want to get messages and if so, do you need voicemail or will an answering machine do?
- Do you need call waiting and/or caller ID?
- How important is it for you to have your telephone with you when you are away from home?

Find out how each company prices its services. Are there minimum-use, time-of-day or distance

requirements; flat monthly fees; or special plans? For example, wireless service may be cheaper than regular local service if you don't make many calls.

Make sure you're comparing prices on similar plans and features. The nonprofit Telecommunications Research and Action Center (www.trac.org) offers information about long distance and wireless services.

The FCC (p. 119) offers consumer information about choosing a long distance carrier, understanding new phone fees and taxes, and more at www.fcc.gov/cib. The National Consumers League also maintains a web page (www.nclnet.org/phonebill/index.html) to help you understand phone charges and recognize fraud.

Compare plans and rates at: SaveOnPhone.com, LowerMyBills.com, ABTolls.com and PhoneBillCentral.org. Another website, 10-10Phone.com, focuses on rates from 10-10 dial-around long distance services.

SLAMMING AND CRAMMING

“Slamming” is the switching of your long distance or local telephone service without your permission; it is illegal. You may not know you have been “slammed” until you find a different company name on your bill, or your phone charges are higher than normal. If you've been slammed:

- Ask your local phone company to switch you back to your original company at no charge.
- Tell the original company you're switching back, and ask to be enrolled in your previous calling plan.
- Contact the company that slammed you—its name and number will be on your bill—and tell them you are exercising your right to refuse to pay charges.

If you're unable to resolve your complaint, contact the FCC (p. 119).

“Cramming” occurs when companies add charges to your telephone bill for optional services you never agreed to, such as voicemail or “club memberships.” You may not notice these monthly charges because they are relatively small, \$5 to \$30, and look like your regular phone charges.

Take these steps to avoid slammers and crammers:

- Consider putting a “block” on changes to your phone service. Ask your telephone service provider if they offer a blocking service, which usually

PREPAID CALLING CARDS

For information about prepaid cards (including calling cards) see page 4. For help finding the best deals on prepaid phone cards, try www.PhoneShark.com



requires the company to notify you before making any changes to your service.

- Read the fine print on contest entry forms and coupons. You could be agreeing to switch your phone service or buy optional services.
- Watch out for impostors. Companies could falsely claim to be your regular phone company and offer some type of discount plan or change in billing. They might also say they are taking a survey or pretend to be a government agency.
- Beware of “negative option notices.” You can be switched or signed up for optional services unless you say no.
- Examine your telephone bill carefully every month, including pages that show the details.

Your phone service cannot be shut off for refusal to pay for unauthorized services. For help, contact your local or state consumer protection agency (p. 127), state public utilities commission (p. 156), or the FCC (p. 119).

900 NUMBERS

You can get all sorts of information and entertainment services by calling 900 numbers. These pay-per-call numbers are also used for surveys, contests and charitable fundraising. The “information provider” sets a price for the service and bills you through your local telephone company.

Unfortunately, con artists have added 900 numbers to their toolbox. Some use promises of gifts and prizes to try to get you to call. Others make phony offers to help you find a job or get out of debt. Some even claim to be about a family emergency. Be wary of contests, sweepstake offers, and messages that require you to call a 900 number. Also keep an eye on your monthly phone bill for any unfamiliar charges.

Both the FCC (p. 119) and the FTC (p. 119) have rules concerning pay-per-call numbers. Advertisements

for pay-per-call services must tell you the cost of the call. This may be a flat rate, a per-minute charge, or calculated on some other basis. Any minimum or additional charges that you might have to pay must also be identified. If a call involves sweepstakes, prizes, or awards, the ad must give you the odds of winning and how you can enter without calling the 900 number. Pay-per-call services cannot advertise directly to children under age 12 unless they are legitimate educational services.

If you have a dispute over a charge on your phone bill, notify your phone company, deduct the disputed charge, and pay the rest by the due date. You should hear back from the company within 40 days, and the problem should be resolved within 90 days. If the charges appear on your credit card statement, see Credit Billing Disputes (p. 12).

You may have other rights according to state law. Check with your state or local consumer protection agency (p. 127) or state utility commission (p. 156).

To prevent 900 number calls from being made from your phone number, request “blocking” from your local phone company. Some companies charge for this service.

CELL PHONES AND WIRELESS DEVICES

Cell phones can be very convenient, but before you sign a contract for wireless phone service, you will want to ask a number of questions.

- **Where can you make and receive calls?** Most providers now promote their plans as local, regional or national. A local plan offers a low-cost option if most of your calls are near home. Regional plans generally offer a much larger geographic area, sometimes several states. If you call outside the area covered by these plans, you will pay long distance and roaming charges in addition to the airtime used. National plans are the most expensive, but they let you use your phone anywhere in the country for a single per-minute price. Roaming and long distance charges are replaced by a single, predictable flat rate.
- **How frequently will you use the phone?** If you just want a phone for emergencies, an economy plan with a few minutes a month might be all that you need. On the other hand, if you are going to be a heavy user, a plan with several free hours and the lowest airtime charge is a wiser choice.
- **Is a family plan option available?** Instead of individual cell phone plans for each member of the family, you can share one cellular service plan among several phones. Everyone shares the same pool of monthly minutes. The cost of the additional numbers per month is usually less than if you purchased individual accounts.

- **Is the technology digital or analog?** Digital service is clearer and more secure than analog but coverage can be spotty. Analog networks have greater coverage, especially in rural areas. If you want digital service, make sure your cellular company has a “roaming” agreement that lets your phone work on an analog system when you are outside digital range. But be aware that roaming can be expensive, and it requires a “dual mode” phone.
- **Is there a trial period during which you can test the service?** Many people experience dead spots where a cell phone doesn't work. A trial period lets you test your service in places where you will be using it, for example, in your office, in all the rooms of your house, in your car, and in other places where you travel.
- **Are there any fees or limits on changing your plan?** Some providers charge a fee if you want to downsize or upgrade your plan. Others limit how often you can make changes.
- **What happens if you want to cancel your service?** Most providers have a penalty. This is a concern if you have to move out of the area covered by your plan.

PAY-AS-YOU-GO PLANS

If you want cell phone service only for emergencies or aren't sure how much you will actually use a cell phone once you get it, you may want to consider a prepaid cell phone before you commit to a long-term wireless contract. With a prepaid cell phone, there is no contract to sign and no monthly bill to worry about. You will know exactly how much you spend. The down side of prepaid plans is that you pay more per minute, and if you don't use the phone for an extended period of time, you could lose the money in your account.

VOICE OVER INTERNET PROTOCOL (VoIP)

Voice over Internet Protocol (VoIP), an emerging technology that allows consumers to make telephone calls using a broadband Internet connection instead of a regular (or analog) phone line, could be a useful telecommunications alternative in many rural areas. Some VoIP services only work using special VoIP phones, while other services allow you to use a traditional phone with an adaptor. Today, many VoIP services are marketed to consumers as a substitute for traditional telephone service. For more information on whether VoIP is right for you, visit www.ftc.gov.

PERSONAL DIGITAL ASSISTANT (PDA)

A Personal Digital Assistant is a handheld device that combines computing, telephone/fax, Internet and networking features. A typical PDA can function as a cellular phone, fax sender, web browser and personal

organizer. Unlike portable computers, most PDAs began as pen-based, using a stylus rather than a keyboard for input. This means that they incorporated handwriting recognition features. Some PDAs can also react to voice input by using voice recognition technologies. Today, PDAs are available in either a stylus or keyboard version.

BLACKBERRY

BlackBerry combines e-mail, mobile phone, short message service (SMS), organizer, contacts and web browser in one mobile device. The “push” technology automatically sends e-mail to your BlackBerry device from your e-mail accounts. BlackBerry is currently available in the United States, Canada and the United Kingdom. There are many different BlackBerry devices from which to choose. In addition, many handheld devices and mobile phones have BlackBerry technology built in, so they can offer BlackBerry applications to their customers. Most telecommunications companies offer BlackBerry enabled devices. Ask your provider for more information or visit www.blackberry.com.

PROTECT YOUR IDENTITY

Identity thieves are getting more sophisticated every day. They can steal your mail, get your personal information through e-mail or by phone, capture information on a data storage device, take your purse, rummage through your trash, get your credit report through unauthorized access; the list just keeps getting longer. Once they have your information, they use your name, Social Security number, credit card number, or other personal information to commit fraud or theft. They might:

- Run up charges on your credit card accounts
- Open new credit accounts or cellular phone service using your name
- Open a bank account in your name and write bad checks on it
- Create counterfeit checks or credit or debit cards, or authorize electronic transfers in your name, and drain your bank account
- Buy a car by taking out an auto loan in your name
- Get identification such as a driver's license issued with their picture in your name
- Call your credit card issuer to change the billing address on your account. The imposter then runs up charges on your account. Because the bills are being sent to a different address, it may be some time before you realize there's a problem.

Problems that result, such as unpaid bills, are reported on your credit report. See Credit Reports and Scores (p. 13).

PREVENTING IDENTITY THEFT

You can reduce the chance a con artist can go on a spending spree with your money or steal your identify by taking the following precautions:

- Give your Social Security number only when absolutely necessary. Ask to use other types of identifiers when possible. If your state uses your SSN as your driver's license number, ask to substitute another number.
- Sign credit/debit cards when they arrive. It's harder for thieves to forge your signature.
- Carry only the cards you need. Extra cards increase your risk and your hassle if your wallet is stolen.
- Keep your PIN numbers secret. Never write a PIN on a credit/debit card or on a slip of paper kept with your card.
- Avoid obvious passwords. Avoid easy-to-find names and numbers like your birthday and phone number.
- Store personal information in a safe place at home and at work.
- Don't give card numbers to strangers. Confirm whether a person represents a company by calling the phone number on your account statement or in the telephone book.
- Watch out for "shoulder surfers." Use your free hand to shield the keypad when using pay phones and ATMs.
- Beware of blank spaces. Draw a line through blank spaces on credit slips. Never sign a blank slip.
- Keep your receipts. Ask for carbons and incorrect charge slips as well.
- Destroy documents with account information. Stop thieves from finding information in the trash by tearing up or shredding receipts, credit offers, account statements, expired cards, etc.
- Protect your mail. Ask your local U.S. Postal Service to put your mail on hold when you are traveling and can't pick it up.
- Make life difficult for hackers. Install firewalls and virus-detection software on your home computers. If you have a high-speed Internet connection, unplug the computer's cable or phone line when you aren't using it.
- Keep a record of your cards and accounts. List numbers, expiration dates and contact information in case there is a problem.
- Pay attention to your billing cycles. A missing bill could mean a thief has taken over your account.

- Promptly compare receipts with account statements. Watch for unauthorized transactions. Shred receipts after verifying the charge on your monthly statement.
- Check your credit report once a year. Check it more frequently if you suspect someone has gotten access to your account information. See Credit Reports and Scores (p. 13).

Despite these precautions, problems can still happen. If a card is missing or you suspect another problem, notify the company immediately. See Lost and Stolen Credit Cards (p. 11) and ATM/Debit cards (p. 3).

REPORTING IDENTITY THEFT

Identity theft is a serious crime that should be reported. If you become an ID theft victim, file a report with your local police. Keep a copy of the police report, which will make it easier to prove your case to creditors and retailers. Contact the credit-reporting bureaus (p. 13) and ask them to flag your account with a fraud alert, which asks merchants not to grant new credit without your approval. Close your accounts, call the security or fraud departments of each company and follow up in writing with copies of supporting documents.

To simplify the lengthy credit-repair process, the FTC now offers an ID Theft Affidavit you can use to report the crime to most of the parties involved. Request a copy of the form by calling toll-free 1-877-ID-THEFT (438-4338) or visiting www.consumer.gov/idtheft. All three credit bureaus and many major creditors have agreed to accept the affidavit. You can also use this website to file a complaint with the FTC.

The FTC also publishes a series of publications about the importance of personal information privacy. To download copies go to www.ftc.gov or request free copies of brochures by calling 1-877-FTC-HELP (382-4357).

PROTECT YOUR PRIVACY

Getting a credit application approved, transferring money from one account to another, renewing your driver's license, getting a prescription from your doctor at your local pharmacy. Think about how easily and quickly you can do these things today. A downside of this convenience is that there are so many places and opportunities for your personal information to be changed, stolen or reported inaccurately. Help prevent this misuse with these tips:

- **Look for privacy statements on websites**, sales materials, and forms you fill out. If a website claims to follow a set of established voluntary standards, read the standards. Don't assume they provide the level of privacy you want.

PROTECT YOUR PRIVACY

- **Ask what information will be collected and how it may be used.** Only do business with those with privacy practices that meet your approval.
- **Never give anyone your passwords or PIN numbers.** Con artists might try to trick you into giving this information.
- **Do not give personal information to those you don't know.** A credit card number, savings or checking account number, or Social Security number in the wrong hands can be used to steal from you or to steal from others in your name. See Protect Your Identity (p. 38).
- **Don't give retailers information that isn't required.** You don't have to give numbers other than the one you are using for payment. Some states bar merchants from asking consumers to provide additional information on checks or credit card slips. At the supermarket, find out whether a clerk can give you the discount without using the store's discount card.
- **Be selective about what you put on warranty registration forms.** The company only needs the purchase date, model/serial numbers, and how you can be contacted if there is a product recall. Questions not related to your purchase such as your income and hobbies can be ignored.
- **Talk about privacy with others in your home.** Everyone, even children, should understand what information is not appropriate to share on the phone, while using a computer, and in other situations.

Check with your state or local consumer agency (p. 127) to find out whether there are any state laws that help protect your privacy. Some companies and industry groups have also adopted voluntary policies that address privacy concerns.

FINANCIAL PRIVACY

The Federal Deposit Insurance Corporation (p. 119) and other federal regulators require banks, insurance companies, brokerage firms and certain businesses that share financial information to tell you their privacy policies. They must give you this information when you open an account, and at least once every year after. They must include:

- The kinds of information being collected
- How the confidentiality and security of this information will be protected
- What types of businesses may be provided this information



If a business is going to share the information with anyone outside its corporate family, it must also give you the chance to “opt-out” or say no to information sharing. Even if you don't opt out, your actual account numbers may not be shared with third parties for marketing purposes.

Your credit information has additional privacy protections under the Fair Credit Reporting Act. Only people with a legitimate business need can get a copy of your report. An employer can only get your report with your written consent. For more information about your rights under this federal law and to find out how you can get a copy of your credit reports, see Credit Reports & Scores on page 13.

MEDICAL PRIVACY

People also give personal information to their doctors, which is shared with insurance companies, pharmacies, researchers, and employers based on specific regulations. The privacy of your health records is protected by federal law (the Health Insurance Portability and Accountability Act, also known as HIPAA), which:

- Defines your rights over your health information
- Sets rules and limits on who is allowed to receive and/or see your health information

The U.S. Department of Health and Human Services Office for Civil Rights (www.dhhs.gov/ocr or 1-800-369-1019) is an excellent resource for complete details and advice about the HIPAA ruling. Along with fact sheets and educational materials, the OCR also provides a listing of resources for consumers, providers and advocates. If you believe that a person, agency or organization covered under the HIPAA

Privacy Rule violated your health information privacy rights or committed another violation of the Privacy Rule, you can file written complaints with OCR.

The Medical Information Bureau (MIB) is a data bank used by insurance companies that collects and shares information. You can request a copy of your file to be sure the information is accurate by writing to MIB, Inc., PO Box 105, Essex Station, Boston, MA 02112 or call toll free 1-866-692-6901 (TTY: 1-866-346-3642). There is a fee to obtain a copy of your file.

For more information on how the federal government protects your personal health information, visit the website of the Health Privacy Project (www.healthprivacy.org) or My Health Privacy (nclnet.org/healthprivacy/index.htm) created by the National Consumers League.

ONLINE PRIVACY

Protecting your privacy on the Internet must be tackled from several angles. First, follow the general advice on protecting your privacy. Next, make sure you only use websites with acceptable privacy policies.

- Look for a privacy policy statement or seal that indicates the site abides by privacy standards. Take time to read how your privacy is protected.
- Look for signals that you are using a secure web page. A secure site encrypts or scrambles personal information so it cannot be easily intercepted. Signals include a screen notice that says you are on a secure site, a closed lock or unbroken key in the bottom corner of your screen, or the first letters of the Internet address you are viewing changes from "http" to "https."

A relatively new threat to your privacy is spyware, which is sneaky software that rides its way onto computers during the download of screensavers, games, music and other applications. Spyware sends information about what you're doing on the Internet to a third-party usually to target you with pop-up ads. You will need to install anti-spyware to stop this new threat to your privacy. For more information, see Safer Computing on page 31.

PROTECTING CHILDREN ONLINE

The Children's Online Privacy Protection Act requires commercial websites to obtain parental consent before collecting, using, or disclosing personal information from children under 13. For more information, contact the FTC (p. 119) or click on Kids Privacy at www.ftc.gov.

SHOPPING FROM HOME

You can order all kinds of things from the comfort of your home using the telephone, mail, or a computer. But along with this convenience come common complaints of late delivery, shipment of wrong or damaged items, and hidden costs. To avoid problems and to make it easier to resolve them, be sure you follow the advice in the Before You Buy checklist (p. 2). In addition:

- **Be wary of post office boxes and sellers in other countries.** It may be difficult to find the seller to resolve a problem later.
- **Know the total price.** Make sure it includes all charges, shipping, handling, insurance and taxes. Coupons and other discounts should be properly deducted.
- **Make sure you are clear on what you are buying.** Watch for words like "refurbished," "reconditioned," "close-out," or "discontinued."
- **Give your credit card, debit card, or bank account number only if you're using that account to pay, never to prove your identity.**
- **Keep a record of your purchase.** Keep track of what you ordered, when, the price, and how you paid (check, money order, charge, etc.). Also save any information the seller gives you such as product description, delivery date, cancellation policy, privacy policy, warranties, and order confirmation numbers.
- **Keep track of your order.** If it's late, see below: Your Rights: Shopping from Home.

YOUR RIGHTS: SHOPPING FROM HOME

When you order something by mail, phone, fax or computer, the Federal Trade Commission requires the company to:

- Ship the merchandise within the time promised, or if no specific delivery time was stated, within 30 days of receiving your order
- Notify you if the shipment cannot be made on time and give you the choice of waiting longer or getting a refund
- Cancel your order and return your payment if the new shipping date cannot be met, unless you agree to another delay

If you cancel, your money must be refunded within 7 days (or your account must be credited within one billing cycle if you charged the order). The company can't substitute a store credit. If you applied for a charge account with the merchant at the same time

CHARITABLE GIVING

Investigate before you donate. Some con artists use names similar to well-known charities or pretend to raise money for state or local law enforcement agencies.

- Ask for written information, including how much of the money raised is actually used for charitable purposes.
- Ask your Secretary of State if the charity is registered to solicit in your state.

Check the Better Business Bureau (p. 65) and others for information on charities: www.give.org, www.charitywatch.org, and www.guidestar.org.

YOUTH PEDDLING

Some for-profit companies use young salespersons to sell magazines and other items door-to-door. They trick consumers into believing they are collecting money for legitimate charities because consumers tend to support young persons and youth programs.

If a young person solicits you, ask for identification verifying the organization's name, address and purpose. If the representative can't provide this information, ask him or her to leave.

Report suspicious people to your local police department and/or contact the child labor division of your state labor department listed in the phone book. Even if you are satisfied with the information provided, don't feel pressured to make a purchase or contribute.

that you placed your order, the company has an extra 20 days to ship the merchandise to allow time for processing your application.

These FTC rules only apply to the first shipment of magazine subscriptions or other merchandise that you receive repeatedly. Orders for services (for example, photo finishing), sale of seeds and growing plants, collect-on-delivery (C.O.D.) orders, and transactions such as books and music clubs are covered by a different FTC rule. There could also be laws or regulations in your state that apply. Report suspected violations to your state or local consumer protection agency (p. 127) and to the FTC (p. 119).

3-DAY COOLING-OFF RULE

When you buy something at a store and later change your mind, your ability to return the merchandise depends upon store policy. If you buy an item in your home, you might have three days to cancel. This Cooling-Off Rule also applies to purchases of \$25 or more at your workplace and places rented by a seller on a temporary basis, such as hotel or motel rooms, convention centers, fairgrounds and restaurants. Enforced by the Federal Trade Commission (p. 119), the Cooling-Off Rule requires sellers to tell you that you have three business days after the sale to change your mind. At the time of the sale, the seller must give you two dated copies of a cancellation form (one to keep and one to send) and a copy of your contract or a receipt showing the salesperson's name and address and explaining your right to cancel. The contract or receipt must be in the same language that's used in the sales presentation.

To cancel a purchase, sign and date one of the cancellation notices and send it by certified mail

postmarked before midnight of the third business day following the sale. Saturday is considered a business day, but Sunday and legally recognized holidays are not. Keep the other notice of cancellation for your records. If you were not provided with this form at the time of the sale, your three-day period doesn't start until you receive it from the seller. You can also write your own letter to cancel the order.

Once you have canceled, you must be given a refund within 10 days. The seller must notify you of the date for product pick up, and return of any trade-ins you gave as a down payment. Within 20 days, the seller must either pick up the items, or reimburse you for mailing expenses.

Be aware that there are situations in which the Cooling-Off Rule does not apply:

- You made the purchase entirely by mail or telephone
- The sale was the result of prior contact you had at the seller's permanent business location
- You signed a document waiving your right to cancel
- Your purchase is not primarily for personal, family or household use
- You were buying real estate, insurance, securities, or a motor vehicle
- You can't return the item in a condition similar to how it was when you got it
- You bought arts or crafts at a fair, shopping mall, civic center, or school

Remember that if you paid by credit card and are having difficulty getting your refund, you may also be able to dispute the charge with your credit card company under the Fair Credit Billing Act. See Credit Billing Disputes on page 12.

TELEMARKETING & UNWANTED MAIL

Unwanted mail. Phone calls just when you sit down to eat. Pop-up ads when you're surfing the Net. What can you do about all these ads that waste your time and hassle you? Actually, there's a lot you can do.

- Tell companies you do business with to remove your name from customer lists they rent or sell to others. Look for information on how to opt out of marketing lists on sales materials, order forms and websites.
- Utilize the services provided by the Direct Marketing Association to remove you from most national telemarketing, mail and e-mail lists (p. 162).
- Call the credit reporting agencies' notification system at 1-888-567-8688. This will reduce the number of unsolicited credit and insurance offers you get. All three major credit bureaus participate in this program.
- Under U.S. Postal Service Rules, it is illegal to send mail that looks like it is from a government agency when it isn't. It is also illegal to send mail that looks like a bill when nothing was ordered, unless it clearly states it is not a bill. Report violations of this rule to the USPS (p. 121).

DO NOT CALL REGISTRY

To register, visit www.donotcall.gov or call 1-888-382-1222 from the phone you want to register. The federal government's National Do Not Call Registry is a free and easy way to reduce telemarketing calls to your home. Your number will stay in the registry for five years unless you take it off the registry. After five years, you will be able to renew your registration. If you get restricted telemarketing calls after your number has been in the national registry



for three months, you can file a complaint at www.donotcall.gov or by calling 1-888-382-1222.

Placing your number on this national registry will stop most telemarketing calls, but not all of them. Calls from political organizations, charities and telephone surveyors are still permitted. So are some calls concerning insurance. Organizations with which you already have a relationship can call you for up to 18 months after your last purchase, payment or delivery. Companies to which you have made an inquiry or submitted an application can call you for up to three months. You can stop these calls by asking the company to put your number on its own do not call list.

You can also tell each telemarketer who calls to put you on that company's do not call list. Note the name of the person you spoke with, the organization, and the date of the call. The Federal Communications Commission requires telemarketers (except tax-exempt nonprofit organizations) to maintain a record of your request not to receive future telephone calls. The record must be maintained for 10 years. If you get another call from the same person or organization, report the date and source to the FCC (p. 119).

Consider screening any calls that are still slipping through by using an answering machine. You can listen to the caller and decide whether you want to pick up. Your local telephone company may also offer services (such as Caller I.D.) that allow you to see the name and number of the person calling you.

Some states have their own do not call lists for residents. Contact your state consumer protection office (p. 127) to find out if your state has such a list and how you can be added.

PRE-RECORDED MESSAGES

The Federal Communications Commission regulates calls using artificial or pre-recorded voice messages. They may not be made to residential telephone numbers except in the following cases:

- Emergency calls needed to ensure your health and safety
- Non-commercial calls
- Calls which don't include any unsolicited advertisements
- Calls by, or on behalf of, tax-exempt nonprofit organizations
- Calls for which you have given prior consent
- Calls from entities with which you have an established business relationship

The beginning of the message must identify who is calling. During or after the message, the caller's telephone number or address must be given. The phone number cannot be that of the auto dialer or

pre-recorded message player that placed the call. It also cannot be a 900 number or any other number with charges that exceed local or long distance charges.

The called party's telephone line must be released within five seconds of the time that the calling system receives notification the party has hung up. Your local telephone company can tell you if there is a delay before you can get a dial tone again in your area. Submit suspected violations to the FCC (p. 119).

SALES CALLS

There is a Federal Trade Commission rule that defines what telemarketers can and cannot do when making a sales call. Callers must:

- Provide the seller's name
- Disclose that the call is a sales call
- Tell you exactly what they're trying to sell
- Disclose the total cost and other terms of sale before you make any payment for the goods or services
- Tell you if they don't allow refunds, exchanges or cancellations

If a prize is involved, the caller must give you the odds of winning, inform you that no purchase is necessary, and tell you how to get instructions for entering without buying anything.

It's illegal for telemarketers to:

- Misrepresent what they're offering
- Call before 8 a.m. or after 9 p.m.
- Threaten, intimidate or harass you, or call again if you ask them not to

This FTC rule applies even when you receive a call from a telemarketer in another state or country. It also applies if you make a call to a company in another state or country in response to a mail solicitation.

The rule generally does not apply when you call to order from a catalog or in response to an ad on television or radio, or in a magazine or newspaper. It also does not apply to solicitations you receive by fax or e-mail. Be aware that certain types of businesses,

NEW RULES FOR JUNK FAXES

The FCC modified its provision against junk faxes. Most unsolicited advertisements faxed to you without your prior written permission are still prohibited. However, organizations that have an established business relationship with you may send you unsolicited faxes. Any unsolicited fax must contain an opt-out option on the first page. Companies must comply with your opt-out wishes within 30 days.

For more information about junk faxes, visit www.fcc.gov/cgb/consumerfacts/unwantedfaxes.html.

BEWARE: CONTESTS AND SWEEPSTAKES

Don't pay if you are asked to give money to claim a prize or get something else free. If you have really won a sweepstakes, you pay taxes directly to the government, not through the company. Beware of invitations that include phrases like:

- “You have been specially selected...”
- “You have won...”
- “A new car! A trip to Hawaii! \$2,500 in cash!”
- “Yours, absolutely free! Take a look at our...”
- “Your special claim number lets you...”
- “All you pay is postage, handling, taxes...”

including nonprofit organizations, investment brokers and advisors, banks and financial institutions, are exempt from the rule. File complaints concerning this rule with FTC (p. 119).

VISHING

“Vishing” is the use of fraudulent telephone calls, using pirated recordings of telephone services from well-known financial institutions. The object is to trick you into believing that your bank is calling to confirm personal information such as account numbers, PINS and passwords. Your answers are recorded and the information is then used for identity theft (p. 38).

If you get a telephone call from someone who says they are with your bank and/or credit company and they ask you to provide or confirm any personal information:

- Do **NOT** answer any questions.
- Hang up immediately.
- Call your bank or credit company directly and tell them what happened.

TRAVEL

Whether reserving a hotel room, buying plane tickets or making other travel arrangements, these tips will help you get a deal that delivers what you are promised.

- **Plan as far ahead as you can.** Special deals on hotel rooms and airline seats often sell out very quickly.
- **Be flexible in your travel plans.** Hotels often offer better rates on days when they expect fewer people. After you get a fare quote from an airline, ask if you could save money by leaving a day earlier or later, by taking a different flight on the same day, or using a different airport. Changing planes during your trip is sometimes cheaper than a nonstop flight.
- **Check out the seller.** Ask tour operators and travel agents whether they belong to a professional

association, then check to see if they are a member in good standing. Contact your state or local consumer protection agency (p. 127) and the Better Business Bureau (p. 65) to find their complaint history.

- **Comparison shop.** Determine the complete cost of the trip in dollars, including all service charges, taxes, processing fees, etc.
- **Beware of unusually cheap prices and freebies.** It could be a scam and you could end up paying more than the cost of a regular package tour.
- **Make sure you understand the terms of the deal.** If you're told that you've won a free vacation, ask if you have to buy something else in order to get it. If the destination is a beach resort, ask the seller how far the hotel is from the beach. Then ask the hotel.
- **Ask about cancellation policies.** You may want to look into trip insurance for added protection. www.InsureMyTrip.com offers pricing and policy information on plans from different companies and describes the different forms of policies available.
- **Insist on written confirmations.** Ask for written proof of reservations and dates.
- **Pay by credit card.** It's not unusual to make a deposit or even pay in full for travel services before the trip. A credit card gives you the right to dispute charges for services that were misrepresented or never delivered. If a travel agent or service provider tells you that you can't leave for at least two months, be very cautious—the deadline for disputing a credit card charge is 60 days and most scam artists know this. See Credit Billing Disputes on page 12.

In some states, travel sellers have to be registered and insured. Advance payments for travel must be placed in an escrow account until the services are provided. Prizes or “free” gifts may also be regulated. Contact your state or local consumer protection agency (p. 127) to find out about your rights and how to file complaints. The American Society of Travel Agents (p. 161) will also help resolve disputes with member agents.

PACK SMART FOR A SAFE FLIGHT

It's important to pack smart. Many common items that we use every day at home can become very dangerous when transported by air. In flight, variations in temperatures and pressures can cause items to leak, emit toxic fumes, or start a fire. If in doubt, don't pack it. To find a list of prohibited items, go to www.tsa.gov or call 1-866-289-9673.



RESOLVING AIR TRAVEL PROBLEMS

No matter how well you plan, you may encounter these common air travel hassles.

DELAYED AND CANCELLED FLIGHTS

Airline delays caused by bad weather, traffic control problems, and mechanical repairs are hard to predict. If your flight is canceled, most airlines will rebook you on the earliest flight possible to your destination, at no additional charge. If you're able to find a flight on another airline, ask the first airline to endorse your ticket to the new carrier. This could save you a fare increase, but there is no rule requiring them to do this.

Each airline has its own policies about what it will do for delayed passengers; there are no federal requirements. If your flight is delayed or canceled, ask the airline if it will pay for meals or a phone call. Contrary to what many people believe, airlines are not required to do so.

DELAYED OR DAMAGED BAGS

If your bags aren't on the conveyor belt when you arrive, file a report with the airline before you leave the airport.

- Insist that they fill out a form and give you a copy, even if they say the bag will be on the next flight.
- Get the name of the person who filled out the form and a phone number for follow up.
- Confirm that the airline will deliver the bag to you without charge when it's found.

Some airlines will give you money to purchase a few necessities. If they don't provide you with cash, ask what types of articles would be reimbursable, and keep all receipts.

If a suitcase arrives damaged, the airline will usually pay for repairs. If an item can't be fixed, they will negotiate to pay you its depreciated value. The same is true for belongings packed inside. Of course, airlines may refuse to pay for damage if it was caused by your failure to pack something properly rather than the airline's handling.

LOST BAGS

If your bag is declared officially lost, you will have to submit a second, more detailed form within a time period set by the airline. The information on the form is used to estimate the value of your lost belongings. Airlines can limit their liability for delayed, lost and damaged baggage, however, they must prominently display a sign that explains the limit. Generally, the maximum an airline pays on lost bags and their contents is limited to \$2,800 per passenger on domestic flights, and \$1,000 per passenger for checked baggage on international flights.

If the airline's offer doesn't fully cover your loss, check your homeowner's or renter's insurance to see if it covers losses away from home. Some credit card companies and travel agencies also offer optional or even automatic supplemental baggage coverage.

On those trips when you know you're carrying more than the liability limits, you may want to ask about purchasing "excess valuation" from the airline when you check in. Of course, there is no guarantee the airline will sell you this protection. The airline may refuse, especially if the item is valuable or breakable.

OVERBOOKED FLIGHTS

Selling more tickets than there are seats is not illegal. Most airlines overbook their flights to compensate for "no-shows." If there are more passengers than seats just before a plane is scheduled to depart, you could be "bumped" or left behind against your will. Whether you are bumped or not may depend on when you officially check-in for your flight, so try to arrive early. The U.S. Department of Transportation requires airlines to ask people to give up their seats voluntarily, in exchange for compensation. Airlines decide what to offer volunteers, such as money, a free trip, food or lodging.

Federal rules protect you if you are "bumped" on most flights within the United States and on outbound international flights. The airline must give you a written statement describing your rights, as well as the airline's boarding priority rules and criteria. If the airline is not able to get you to your final destination within one hour of your original arrival time, you may be entitled to an on-the-spot payment as compensation. The amount depends on the price of the ticket and the length of the delay. To receive this payment, you must have a confirmed reservation. You must also meet the airline's deadlines for ticketing and check-in. An airline may offer you a free ticket on a future flight in place of a check, but you have the right to insist on a check.

PASSPORTS

A passport is an internationally recognized travel document that verifies the identity and nationality of the bearer. A valid U.S. passport is required to enter and leave most foreign countries. Only the U.S. Department of State (p. 115) has the authority to grant, issue or verify U.S. passports. The Passport Services Office provides information and services to American citizens about how to obtain, replace or change a passport. To obtain a passport for the first time, you need to go in person to one of 7,000 passport acceptance facilities located throughout the United States with:

- Two identical photographs of yourself that meet certain specifications
- Proof of U.S. citizenship
- A valid form of photo identification (such as a driver's license)

Acceptance facilities include many federal, state and probate courts, post offices, some public libraries and

BE WISE WHILE YOU WAIT

While waiting for your flight, remember to follow these important recommendations:

- Watch your luggage and belongings at all times
- Do NOT accept packages from strangers
- If you see unattended baggage or packages anywhere in the airport terminal or parking area, report them immediately to a security officer or authority
- Report any suspicious activities to airport security
- Do NOT joke about having a bomb or firearm
- Do NOT discuss terrorism, weapons, explosives or threats while going through the security checkpoint

PROTECT YOUR VALUABLES

The only way to be sure your valuable possessions are not damaged or lost is to carry them onboard and keep them with you. Items you should plan to pack in your carry-on luggage include:

- Small valuables (such as cash, credit cards, jewelry, cameras, personal computers)
- Critical items (medicine, keys, passport, business papers)
- Irreplaceable items (manuscripts, heirlooms)
- Fragile items (eyeglasses, glass container)

PASSPORT RULES ARE CHANGING

The Intelligence Reform and Terrorism Prevention Act requires that travelers to and from the Caribbean, Bermuda, Panama, Mexico and Canada must have a passport or other secure, accepted document to enter or re-enter the U.S. The new rule will be applied in phases:

- As of January 23, 2007, all air travel to or from these countries requires a valid travel document.
- On January 31, 2008, this requirement will be extended to all land and sea border crossings as well.

The new passport requirement does not apply to travelers returning from a U.S. Territory, such as Puerto Rico.

a number of county and municipal offices. There are also 13 regional passport agencies, and one Gateway City Agency, which serve customers who are traveling within two weeks (14 days), or who need foreign visas for travel. Appointments are required in such cases.

For more information on how to get or renew your passport, visit travel.state.gov/passport or call the National Passport Information Center (p. 115).

TRAVEL SAFETY

Several federal agencies offer advice and information on the Internet that can help insure you have a safe trip.

- **The U.S. Department of Transportation** (p. 116) at www.dot.gov offers airline, highway and rail safety information. For example, you can look up crash-safety reports on cars or find out how weather is affecting air travel and road conditions.
- **The Transportation Security Administration** (p. 113) at www.tsa.gov has advice on safe travel by air, land and sea. For example, they post tips on dealing with airline security checks, traveling with kids, and warnings on prohibited items. Click on Travelers and Consumers.
- **The U.S. Department of State** (p. 115) at www.state.gov/travel provides information on what to do before, during, and when you return from a trip overseas. You can also get warnings on locations to avoid and what to do in an overseas emergency.
- **The Centers for Disease Control and Prevention** (p. 111) at www.cdc.gov/travel offers health-related travel information. You can research vaccination requirements, find information on how to avoid illnesses caused by food and water, and review inspection scores on specific cruise ships.

TV

CABLE/SATELLITE

Aside from an off-air antenna, cable and satellite are currently the only ways to get TV signals into your home. Most households subscribe to cable, and it's still the only way to receive all local programming including major network channels such as ABC, CBS, NBC, Fox and PBS. Cable companies typically offer various plans for service and you choose the package you prefer, from limited basic to the most comprehensive. Premium channels, such as HBO or ShowTime, are also offered, as well as pay-per-view programming.

With added services and little direct competition, the costs of cable have continued to rise. In most areas of the country, subscribers don't have a choice of cable service providers. Prices tend to be lower in locations where several companies are competing.

With satellite TV, you'll need a dish that's mounted outside (service requires an unobstructed view of the satellite) and a receiver that's placed by your television. You can expect high quality picture and superior sound, up to 200 channels, along with commercial-free CD-quality music channels. Local channels are available at an added cost in many areas.

How To Choose?

- **Analog Cable:** If you only watch TV occasionally and are satisfied with the channel selection you've had for years, analog cable, with its comparatively low monthly bill, is the way to go. However, this technology has a limited life span, and could be obsolete by the end of the decade. Stormy weather or freezing temperatures can interfere with reception.
- **Digital Cable:** If you want more channels and/or better picture and sound quality, you can upgrade to digital cable for a higher price. Costs for service have risen steadily since there is usually only one provider in an area and no competition.
- **Satellite:** If you want more programming choices, especially for movies, sports and foreign-language programs, as well as superior picture and sound quality, satellite is a good option. However, reception is prone to interference from heavy rain or snow. Requirements include a south-facing surface for mounting the dish. The two major U.S. satellite TV providers use incompatible equipment; if you change services, you'll need to change the dish and box.

DIGITAL TELEVISION (DTV)

Digital television (DTV) is an entirely new technology that will replace today's analog television system. There are currently three levels of DTV quality:

- **Standard Definition TV (SDTV)** is the basic level of quality display and resolution.
- **Enhanced Definition Television (EDTV)** is a step up from analog TV, and provides better picture quality than SDTV.
- **High Definition TV (HDTV)** sets new standards for sound and provides the highest resolution and picture quality of all digital broadcast options.

Today most people have analog televisions, but a major transition is in progress. The target deadline for the end of analog broadcasting is Feb. 17, 2009. All broadcast stations in the country have temporary use of a second, separate channel so they can transition from analog broadcasting to digital.

When analog broadcasting ends, consumers with analog sets will need to obtain separate converter boxes or purchase DTV equipment to watch over-the-air TV. Converter boxes will be available in retail stores at that time. Even with a set-top converter box, your current analog TV will not display the full picture quality of DTV.

You'll need a DTV set or separate DTV receiver and a digital display monitor to experience the full picture quality.

Beginning in 2008, your household may be able to obtain up to two coupons worth \$40 each toward the purchase of converter boxes. The National Telecommunications and Information Administration (NTIA) has responsibility for administering the coupon program, and will issue rules about the coupons in the future.

Additional information can be found at www.dtv.gov or www.ntia.doc.gov or by calling 1-800-225-5322.

UTILITIES

In many states, consumers can choose their telephone and energy service provider. Contact your state utility commission (p. 156) to find out whether you have a choice. Some commissions will provide you a list of service providers and advice on making a choice. Most state utility commissions will also take any complaints you have concerning utility sales and service.

ELECTRICITY AND NATURAL GAS

If you have a choice of suppliers, ask:

SAVE MONEY ON YOUR ENERGY BILLS

The U.S. Department of Energy offers *The Consumer's Guide to Energy Efficiency and Renewable Energy* (p. 110).

- **How much will it cost?** How long can I depend on this rate? Are there any other fees I will be charged?
- **Are there any other terms or conditions?** For example, is there a fee if I cancel my agreement before the service period is up?
- **Who do I contact if I have a problem?** Do you have a local customer service office?

WATER

The majority of consumers rely on local utilities to provide a safe and ample supply of water. Your local water agency is responsible for sending you an annual Consumer Confidence Report that should list the source of your water, what contaminants might be in the water, and information on the safety levels of contaminants and their effects on health.

For more information call the Environmental Protection Agency's Safe Drinking Water Hotline (p. 118).

WILLS & FUNERALS

PLANNING FOR THE END OF LIFE

It's unfortunate how many people believe that estate planning is only for the wealthy. People at all economic levels benefit from an estate plan. Upon death, an estate plan legally protects and distributes property based on your wishes and the needs of your family and/or survivors with as little tax as possible.

WILLS

A will is the most practical first step in estate planning; it makes clear how you want your property to be distributed after you die.

Writing a will can be as simple as typing out how you want your assets to be transferred to loved ones or charitable organizations after your death. If you don't have a will when you die, your estate will be handled in probate, and your property could be distributed differently than what you would like.

It may help to get legal advice when writing a will, particularly when it comes to understanding all the rules of the estate disposition process in your state. For information about legal issues, see page 53. In some states, for instance, there is a community-property law that entitles your surviving spouse to keep half of your wealth after you die no matter

RULES TO KNOW WHEN WRITING A WILL

- In most states, you must be 18 years of age or older.
- A will must be written in sound judgment and mental capacity to be valid.
- The document must clearly state that it is your will.
- An executor of your will, who ensures your estate is distributed according to your wishes, must be named.
- It is not necessary to notarize or record your will but these can safeguard against any claims that your will is invalid. To be valid, you must sign a will in the presence of at least two witnesses.

TAKE ANOTHER LOOK

Once you've completed a will, it's a good idea to review it from time to time, and consider changes if:

- The value of your assets changes
- You marry, divorce or remarry
- You have a child
- You move to a different state
- The executor of your will dies or becomes incapacitated or your relationship changes
- One of your heirs dies
- The laws affecting your estate change

what percentage you leave him or her. Fees for the execution of a will vary according to its complexity.

CHOOSE AN EXECUTOR

An executor is the person who is responsible for settling the estate after death. Duties of an executor include:

- Taking inventory of property and belongings
- Appraising and distributing assets
- Paying taxes
- Settling debts owed by the deceased

Most important, the executor is legally obligated to act in the interests of the deceased, following the wishes provided by the will. Here again, it could be helpful to consult an attorney to help with the probate process or offer legal guidance. Any person over the age of 18, who hasn't been convicted of a felony, can be named executor of a will. Some people choose a lawyer, accountant or financial consultant based on their experience. Others choose a spouse, adult child, relative or friend. Since the role of executor can be

demanding, it's often a good idea to ask the person being named in a will if he or she is willing to serve.

If you've been named executor in someone's will but are not able or do not want to serve, you need to file a declination, which is a legal document that declines your designation as an executor. The contingent executor named in the will then assumes responsibility. If no contingent executor is named, the court will appoint one.

FUNERALS

One of the most expensive purchases many consumers will ever make is the arrangement of a funeral. A traditional burial, including a casket and vault, costs about \$7,000. Extras such as flowers, obituary notices, cards and limousines, can add thousands of dollars more. At such a highly emotional time, people are often convinced that their decisions reflect how they feel about the deceased and could spend more than necessary.

Most funeral providers are professionals who work to serve their clients' needs and best interests. Unfortunately, some do not. They could take advantage of clients by insisting on unnecessary services, marking up prices and overcharging. That's why there is a federal law, called the Funeral Rule,



THE FUNERAL RULE

A federal law makes it easier for you to choose only the goods and services you want or need when planning a funeral, and to pay only for those you select. The Funeral Rule, enforced by the Federal Trade Commission (p. 119), requires funeral directors to give you itemized prices in person and, if you ask, over the phone.

WILLS & FUNERALS

which regulates the actions of funeral directors, homes and services.

Many funeral providers offer a variety of package plans that include products and services that are most commonly sold. Keep in mind, you are not obligated to buy a package plan; you have the right to buy the individual products and services you prefer. As outlined by the Funeral Rule:

- You have the right to choose the funeral goods and services you want (with some exceptions).
- The funeral provider must state this in writing on the general price list.
- If state or local law requires you to buy any particular item, the funeral provider must disclose it on the price list, with a reference to the specific law.
- The funeral provider may not refuse, or charge a fee, to handle a casket that you bought elsewhere.
- A funeral provider that offers cremations must make alternative containers available.

Planning ahead is the best way to make informed decisions about funeral arrangements. An advanced plan also spares your family from having to make choices while grieving and under time constraints. Every family is different, and funeral arrangements are influenced by religious and cultural traditions, budgets and personal preferences.

You are not legally required to use a funeral home to plan and conduct a funeral. But most people find that the services of a professional funeral home make it easier. Many people often choose a funeral home or cemetery that's close, familiar, or recommended by someone they trust.

But comparison shopping can save you money and is much easier when it's done in advance. If you visit a funeral home in person, the funeral provider is required by law to give you a general price list with costs of the items and services offered. If the general price list does not include specific prices of caskets or outer burial containers, the funeral director is required

PLANNING WISELY FOR A FUNERAL

- Plan ahead
- Shop around and compare prices in advance
- Ask for a price list
- Resist pressure
- Avoid emotional overspending
- Recognize your rights
- Apply the smart shopping techniques you'd use for other major purchases

by law to show you the price lists for these items before showing you the actual items.

Some people find it more comfortable to gather information and compare prices by telephone. The Funeral Rule requires funeral directors to provide price information over the phone to any caller who asks for it. Many funeral homes will also send you a price list by mail, but this is not required by law.

If you have a problem concerning funeral matters, it's best to try to resolve it first with the funeral director. If you are dissatisfied, the Funeral Consumer's Alliance (p. 124) may be able to advise you on how best to resolve your issue. You can also contact your state or local consumer protection agencies (p. 127); or the Funeral Service Consumer Assistance Program at 1-800-662-7666 or www.funeralservicefoundation.org. Most states have a licensing board that regulates the funeral industry. You can contact the board in your state for information or help.

VETERANS CEMETERIES

All veterans are entitled to a free burial in a national cemetery and a grave marker. This eligibility also applies to some civilians who have provided military-related service and some Public Health Service personnel. Spouses and dependent children are also entitled to a lot and marker when buried in a national cemetery. There are no charges for opening or closing the grave, for a vault or liner, or for setting the marker in a national cemetery.

For more information, contact Veterans Affairs at www.cem.va.gov or call 1-800-827-1000.



Even the most savvy consumer has a problem with a good or service at one time or another. It is your right to complain if you have a genuine consumer problem. It is also your responsibility. A problem can't be fixed if no one knows it exists.

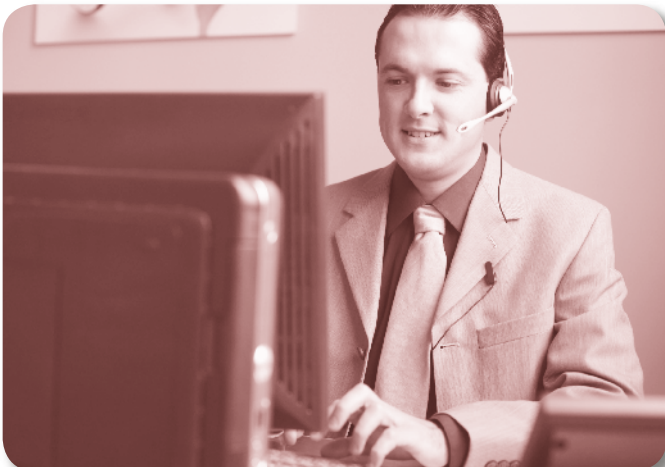
CONTACT THE SELLER

The first step in resolving a consumer problem is contacting the seller. You can solve most consumer problems by talking to a salesperson or customer service representative. Do this as soon as possible because some retailers have time limits on returns and refunds. If this doesn't work, ask for a supervisor or manager.

If this fails, try going higher up, to the national headquarters of the seller or the manufacturer of the item. Many companies have a special customer relations or consumer affairs division whose primary function is solving consumer problems. Many companies provide a toll-free number or address for this office on the product label, warranty or other papers given to you at the time of purchase. If this is not the case:

- Check the directory portion of this Handbook for the contact information of several hundred corporations (p. 70).
- Visit the company's website. Look for a "Contact Us" link.
- Dial the directory of toll-free numbers at 1-800-555-1212 to see if the company has a toll-free number listed.
- Ask your local librarian to assist you. Most public libraries have reference books with contact information.

As you do your search, keep in mind the name of the manufacturer or parent company is often different from the brand name. *The Thomas Register of*



American Manufacturers, a book available at many public libraries, lists the manufacturers of thousands of products.

With each person you contact, calmly and accurately explain the problem and what action you would like taken. A written letter is a good strategy because you will have a record of your communication with the company. The sample letter (p. 55) will help you prepare a written complaint.

- Be brief and to the point. Note all important facts about your purchase, including what you bought, serial or model numbers, the name and location of the seller, and when you made the purchase.
- State exactly what you want done about the problem and how long you are willing to wait for a response. Be reasonable.
- Don't write an angry, sarcastic or threatening letter. The person reading your letter probably was not responsible for your problem but could be very helpful in resolving it.
- Include copies of all documents regarding your problem. Keep the originals.
- Provide your name, address and phone numbers. If an account is involved, be sure to include the account number.

Keep a record of your efforts to contact the seller; include the name of the person with whom you spoke and what was done, if anything.

CONTACT THIRD PARTIES

Don't give up if you are not satisfied with the seller's response to your complaint. Once you have given the seller a reasonable amount of time to respond, consider filing a complaint with one or more of these outside organizations.

- **State or local consumer protection offices** (p. 127). These government agencies mediate complaints, conduct investigations, and prosecute offenders of consumer laws.
- **State regulatory agencies** that have jurisdiction over the business. For example, banking (p. 143), securities (p. 152), insurance (p. 147), and utilities (p. 156) are regulated at the state level.
- **State and local licensing agencies.** Doctors, lawyers, home improvement contractors, auto repair shops, debt collectors, and childcare providers are required to register or be licensed. The board or agency that oversees this process may handle complaints and have the authority to take disciplinary action. Your state or local consumer

Call for Action, Inc.
 5272 River Road, Suite 300
 Bethesda, MD 20816
 Phone: 301-657-8260
 Fax: 301-657-2914
 Web: www.callforaction.org

Call for Action, Inc. is a nonprofit network of consumer hotlines that educate and assist consumers with consumer problems. Listed below are hotlines in major markets staffed with trained volunteers who offer advice and mediate complaints at no cost to consumers. Consumers in locations not listed should call the Network Hotline at 301-657-7490. (M,T,W,F 10 am-2 pm)

WTAJ-TV Altoona, PA 814-944-9336 M-F 1-3 pm	WXYZ-TV Detroit, MI 248-827-3362 M-W 11 am-1 pm	WQAD-TV Moline, IL 309-764-2255 M-F 11 am-1 pm	KTVI-TV St. Louis, MO 636-282-2222 1-800-782-2222 (IL) M-Th 11 am-1 pm
WAGA Atlanta 404-879-4500 M-F 11 am-1 pm	WINK-TV Fort Myers, FL 239-334-4357 T-Th 11 am-1 pm	WABC-TV New York NY 212-268-5626 M-F 10 am-1 pm	WFTS-TV Tampa, FL 1-866-428-6397 M-F 11 am-1 pm
WBZ Radio Boston, MA 617-787-7070 M-F 11 am-1:30 pm	WFMY-TV Greensboro, NC 336-680-1000 T,W 11 am-1 pm	WPIV-TV Philadelphia, PA 1-866-978-4232 M-F 11 am-1 pm T-Th 10 am-1 pm	WTOL-TV Toledo, OH 419-255-2255 T-Th 11 am-1 pm
WIVB-TV Buffalo, NY 716-879-4900 M-F 11 am-1 pm	KSHB-TV Kansas City, MO 816-932-4377 T-Th 10 am-1 pm	KPNX-TV & KNAZ-TV & <i>The Arizona Republic</i> Phoenix, AZ 602-260-1212 1-866-260-1212 (AZ) M-F 11 am-1 pm	KJRH-TV Tulsa, OK 918-748-1488 T-Th 9 am-noon
WJW-TV Cleveland, OH 216-578-0700 M,W,Th 10 am-V 702-368-2255 W-F 11 am-1 pm	KTNV-TV Las Vegas, NV 702-368-2255 W-F 11 am-1 pm	WTAE-TV Pittsburgh, PA 412-244-4698	WTOP AM&FM Washington, DC 301-652-4357 T-F 11 am-1 pm
KKTV-TV Colorado Springs, CO 719-457-8211 M-Th 11 am-1 pm	WTMJ-TV Milwaukee, WI 414-967-5495 M-Th 11 am-1 pm	WPRI-TV Providence, RI 401-228-1850 M-Th 11 am-1 pm	RADIO CULTURE Buenos Aires, Argentina 011-54-11-4300-1173 M-F 11 am-4:30 pm

protection office (p. 127) can help you identify the appropriate agency.

- **Better Business Bureaus** (p. 65). This network of nonprofit organizations supported by local businesses tries to resolve buyer complaints against sellers. Records are kept on unresolved complaints as a source of information for the seller's future customers. The umbrella organization for the BBBs assists with complaints concerning the truthfulness of national advertising and helps settle disputes with automobile manufacturers through the BBB AUTO LINE program (p. 64).
- **Trade associations.** Companies selling similar products or services often belong to an industry association that will help resolve problems between its members and consumers (p. 160).

- **National consumer organizations.** Some of these organizations assist consumers with complaints. Others may be unable to help individuals but are interested in hearing about problems that could influence their education and advocacy efforts (p. 122).
- **Media programs.** Local newspapers, radio stations, and television stations often have Action Lines or Hotline services that try to resolve consumer complaints they receive. To find these services, check with your local newspapers or broadcast stations. See the box above for members of "Call for Action."

DISPUTE RESOLUTION PROGRAMS

Some companies and industries offer programs to address disagreements between buyers and sellers. The auto industry has several of these programs (p. 64).

The Financial Industry Regulatory Authority (FINRA) offers a program designed to resolve investment-related disputes (p. 124). Some small claims courts also offer a dispute resolution program as an alternative to a trial.

Mediation, arbitration, and conciliation are three common types of dispute resolution. During mediation, both sides involved in the dispute meet with a neutral third party and create their own agreement jointly. In arbitration, the third party decides how to settle the problem. Request a copy of the rules of any program before making a decision to participate. You will want to know beforehand if the decision is binding. Some programs do not require both parties to accept the decision. Also ask if participation in the program places any restrictions on your ability to take other legal action.

The American Bar Association (p. 160) publishes a directory of state and local dispute resolution programs.

SMALL CLAIMS COURT

Small claims courts resolve disputes over small amounts of money. While the maximum amount that can be claimed differs from state to state, court procedures are generally simple, inexpensive, quick and informal. Court fees are minimal, and you often get your filing fee back if you win your case. Typically, you will not need a lawyer—some states do not permit them. If you live in a state that allows lawyers and the party you are suing brings one, don't be intimidated. Most judges make allowances for consumers who appear without lawyers. Even though the court is informal, the judge's decision must be followed.

If you file a case and win, the losing party should give you what the court says you are owed without further action on your part. But some losers refuse to follow the court's decision. When this happens, you can go back to court and ask for the order to be enforced. Depending on local laws, law enforcement officials might sell a person's property or take money from a bank account or business cash register. If the person who owes the money receives a salary, the court might order an employer to garnish (deduct money from) each paycheck to pay you.

BEWARE: RECOVERY SERVICES

A scam artist has taken your money. Don't be scammed again by a "recovery service" offering to get your money back for you. The service is just trying to take your last dime. There is no charge for filing a complaint with a government agency.

Check your local telephone book under the municipal, county or state government headings for small claims court offices. Ask the clerk how to use the small claims court. Before taking your own case to court, observe a small claims court session and ask the court if it has information that will help you prepare your presentation to the judge.

LEGAL HELP AND INFORMATION

If you need an attorney to advise or represent you, ask friends and family for recommendations. You can also contact the Lawyer Referral Service of your state, county, or city bar association listed in your local phone directory. Websites such as www.abalawinfo.org (American Bar Association), www.uslaw.com, www.thelaw.com, www.freeadvice.com, and www.nolo.com can help you with answers to general legal questions.

TIPS FOR CHOOSING AN ATTORNEY

Many lawyers who primarily serve individuals and families are general practitioners with experience in frequently needed legal services, such as: divorce and family matters, wills and probate, bankruptcy and debt problems, real estate, and criminal and/or personal injury. Some have a narrower focus. Be sure the lawyer you are considering has experience in the area for which you are seeking help.

Once you've identified some candidates:

- Call each attorney on the telephone, describe your legal issue, and find out if he or she handles your situation.
- Ask if you will be charged for an initial consultation.
- Ask for an estimate of what is usually charged to handle your kind of case.
- Ask whether there are hourly charges or whether your attorney would accept a percentage of the settlement as a fee contingency.

The initial consultation is an opportunity for you and the lawyer to get to know each other. After listening to the description of your case, the lawyer should be able to outline your rights and liabilities, as well as alternative courses of action. The initial consultation is the lawyer's opportunity to explain what he or she can do for you and how much it will cost. You should not hesitate to ask about the attorney's experience in handling matters such as yours. Also, do not hesitate to ask about the lawyer's fees and the likely results. If you are considering going beyond the initial consultation and hiring the lawyer, request a written fee agreement before proceeding.

WHAT IF YOU CAN'T AFFORD A LAWYER?

If you cannot afford a lawyer, you may qualify for free legal help from a Legal Aid or Legal Services Corporation (LSC) office. These offices generally offer legal assistance about such things as landlord-tenant relations, credit, utilities, family matters (e.g., divorce and adoption), foreclosure, home equity fraud, social security, welfare, unemployment, and workers' compensation. If the Legal Aid office in your area does not handle your type of case, it may refer you to other local, state or national organizations that can provide help. Additional resources may be found at www.lawhelp.org or www.freeadvice.com.

To find the Legal Aid office nearest to you, check a local telephone directory or contact:

National Legal Aid and Defender Association
1625 K Street, NW, 8th Floor
Washington, DC 20006
Phone: 202-452-0620
Fax: 202-872-1031
E-mail: info@nlada.org
Web: www.nlada.org

To find the LSC office nearest you, check a local telephone directory or contact:

LSC Public Affairs
3333 K Street, NW, 3rd Floor
Washington, DC 20007
Phone: 202-295-1500
Fax: 202-337-6797
Web: www.lsc.gov

Free assistance could also be available from a law school program where students, supervised by attorneys, handle a variety of legal matters. Some of these programs are open to all. Others limit their service to specific groups, such as senior citizens or low-income persons. Contact a law school in your area to find out if such a program is available.

you can contact for more information, which is usually the same agency to contact with your complaint. You can also find the appropriate federal agency by using the online directory at www.pueblo.gsa.gov/complaintresources.htm.

People who have no intention of delivering what is sold, who misrepresent items, send counterfeit goods or otherwise try to trick you out of your money are committing fraud. If you suspect fraud, there are some additional steps to take.

- Contact the Federal Trade Commission (p. 119).
- Scams that used the mail or interstate delivery service should also be reported to the U.S. Postal Inspection Service (p. 121). It is illegal to use the mail to misrepresent or steal money.

Reporting fraud promptly improves your chances of recovering what you have lost and helps law enforcement authorities stop scams before others are victimized.

If you suspect you have a product that poses a safety hazard, report the problem to the appropriate federal agency:

- **Automobiles.** National Highway Traffic Safety Administration (p. 116)
- **Drugs, medical devices.** Food and Drug Administration (p. 111)
- **Food.** U.S. Department of Agriculture (p. 107), Food and Drug Administration (p. 111)
- **Seafood.** Food and Drug Administration (p. 111), U.S. Department of Commerce (p. 108)
- **Toys, baby and play equipment, household products.** U.S. Consumer Product Safety Commission (p. 107)

REPORT FRAUD & SAFETY HAZARD

If you suspect a law has been violated, contact your local or state consumer protection agency (p. 127). This agency may take action or refer you to another state organization that has the authority where you live. A local law enforcement officer could also be able to provide advice and assistance.

Violations of federal laws should be reported to the federal agency responsible for enforcement. While federal agencies are rarely able to act on behalf of individual consumers, complaints are used to document patterns of abuse, allowing the agency to take action against a company.

Throughout Part I of this Handbook, you will find references to federal agencies

Your Address
Your City, State, ZIP Code
Date

Name of Contact Person, if available
Title, if available
Company Name
Consumer Complaint Division (If you have no specific contact)
Street Address
City, State, Zip Code

Dear (Contact Person):

Re: (account number, if applicable)

On (date), I (bought, leased, rented, or had repaired) a (name of the product, with serial or model number or service performed) at (location, date and other important details of the transaction).

- describe purchase
- name of product, serial number
- include date and place of purchase

Unfortunately, your product (or service) has not performed well (or the service was inadequate) because (state the problem). I am disappointed because (explain the problem: for example, the product does not work properly, the service was not performed correctly, I was billed the wrong amount, something was not disclosed clearly or was misrepresented, etc.).

- state problem
- give history

To resolve the problem, I would appreciate your (state the specific action you want—money back, charge card credit, repair, exchange, etc.) Enclosed are copies (do not send originals) of my records (include receipts, guarantees, warranties, canceled checks, contracts, model and serial numbers, and any other documents).

- ask for specific action
- enclose copies of documents

- allow time for action
- state how you can be reached

I look forward to your reply and a resolution to my problem, and will wait until (set a time limit) before seeking help from a consumer protection agency or the Better Business Bureau. Please contact me at the above address or by phone at (home and/or office numbers with area code).

Sincerely,

Your name

Enclosure(s)

KEEP COPIES OF ALL OF YOUR LETTERS, FAXES, E-MAILS, AND RELATED DOCUMENTS.

GENERAL RESOURCES

FEDERAL CITIZEN INFORMATION CENTER (FCIC)

Pueblo, CO 81009

Phone: 1 (800) FED INFO (333-4636)

www.pueblo.gsa.gov

Part of the U.S. General Services Administration, FCIC is a one-stop source for consumer information from the federal government. The free Consumer Information Catalog lists more than 200 free and low-cost publications on topics such as cars, child care, education, federal benefits, money management, food, health, housing and travel. Order a copy of the Catalog from the FCIC website or call 1 (800) FED INFO (333-4636) between 8 a.m. and 8 p.m. Eastern Time, M-F. You can also get a copy by sending your name and address to FCIC at the address above.

For more information, see page 119.

www.USA.gov

The official web portal for the U.S. government, www.USA.gov links you to government representatives, services and information at the federal, state, regional and tribal level. You can get easy-to-understand information from the government 24 hours a day, seven days a week. Similar information is posted in Spanish at www.GobiernoUSA.gov.

CENTER FOR THE STUDY OF SERVICES

733 15th Street, NW, Ste. 820

Washington, DC 20005

Phone: 202-347-7283 / Fax: 202-347-4000

www.checkbook.org

This nonprofit organization publishes information and services to help you choose and get the best price when making purchases, such as automobiles, major appliances, audio-video equipment, doctors, hospitals and health care plans. In the Boston, Chicago, Philadelphia, Washington DC, Seattle, San Francisco and St. Paul/Minneapolis areas, a subscription to CHECKBOOK magazine will give you information on many local services, such as auto repair, cell phones, plumbers and banks.

CONSUMERS UNION OF U.S., INC. (CU)

101 Truman Avenue

Yonkers, NY 10703-1057

Phone: 914-378-2000 / Fax: 914-378-2900

www.consumerreports.org

CU is a nonprofit, independent consumer organization that researches and tests goods and services such as automobiles, appliances, food, clothing, luggage, and insurance. Some of the information is free via the Internet, radio and television. Print publications, including subscriptions to the monthly Consumer Reports magazine must be purchased. For more information, see page 123.

CONSUMER WORLD

www.consumerworld.org

Consumer World is a public service website with links to hundreds of consumer resources available on the Internet. You will find consumer news, product reviews and shopping bargains. Directories provide contact information and web links for many corporations and government agencies.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE (CSREES)

The Cooperative State Research, Education, and Extension Service (p. 108) of the U.S. Department of Agriculture has been a source of consumer information and assistance for decades. With an educator in nearly every county, Cooperative Extension brings the research-based knowledge of the land grant universities directly to families and communities. Programs cover food and nutrition, housing, gardening, budgeting, using credit, saving for retirement, and more. To locate your county office, check the blue pages of your phone book or visit www.csrees.usda.gov.

LIBRARIES

Publications from many of the organizations mentioned on this page can be found at public libraries. Some university and private libraries also allow individuals to use their reference materials. Check your local telephone directory for the location of libraries near you.

FOR PERSONS WITH DISABILITIES

THE NATIONAL COUNCIL ON DISABILITY (NCD)

(p. 120) is an independent federal agency that makes recommendations to the President and Congress to improve the quality of life for Americans with disabilities and their families. NCD first proposed a civil rights law for people with disabilities, and the Americans with Disabilities Act was signed into law in 1990. The purpose of NCD is to promote policies, programs, practices, and procedures that guarantee equal opportunity for all individuals with disabilities, regardless of the nature or severity of the disability; and to empower individuals with disabilities to achieve economic self-sufficiency, independent living, inclusion and integration into society. For information, resources and related links, go online to www.ncd.gov.

THE NATIONAL DISABILITY RIGHTS NETWORK (NDRN)

is the nonprofit membership organization for the federally mandated Protection and Advocacy (P&A) Systems and Client Assistance Programs (CAP) for individuals with disabilities. The P&A/CAP network is the largest provider of legally based advocacy services for people with disabilities in the U.S. The

NDRN serves a wide range of people with disabilities, including (but not limited to) those with cognitive, mental, sensory and physical disabilities. For specific resources and assistance, go online to www.ndrn.org.

THE U.S. DEPARTMENT OF EDUCATION (p. 109) provides training and information to parents of infants, toddlers, children and youth with disabilities, and to people who work with parents to enable them to participate more fully and effectively with professionals in meeting the educational needs of their children with disabilities.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) Fair Housing and Equal Opportunity offers resources and answers questions about the housing rights of people with disabilities, and the responsibilities of housing providers and building and design professionals according to the federal law. For more information, go online to www.hud.gov/offices/ftheo/disabilities.

NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED (NLS)

Library of Congress
 Washington, DC 20542
 Phone: 202-707-5100 / Fax: 202-707-0712
 Toll free: 1-800-424-8567
 E-mail: nls@loc.gov
 Website: www.loc.gov/nls
 NLS offers the free loan of recorded and braille books and magazines, music scores in braille and large print, and specially designed playback equipment to residents of the U.S. who are unable to read or use standard print materials because of visual or physical impairment. Service is also extended to

eligible American citizens residing abroad. While NLS administers the program, direct service is provided through cooperating libraries. Contact NLS for application forms and addresses of cooperating libraries.

FOR MILITARY PERSONNEL

Today's military family faces many common consumer challenges, as well as the additional stress associated with frequent separation. To ease such difficulties, Family Centers, along with the other programs described below, provide help and support for military families.

U.S. MILITARY FAMILY CENTERS

Located on most military installations, Family Centers provide information, life skills education, and support services to military members and their families. "Family Centers" is a generic term that includes similar offices in each of the separate military branches. These centers provide community service programs that enhance the quality of life for military personnel and their families.

One key function of a Family Center is to link customers with appropriate services available in the local community and/or through state and federal assistance programs. To properly fulfill this role, the Family Center director develops working partnerships with organizations, such as those related to health and human services, school systems, employment assistance, law enforcement and recreation.

If you cannot locate a Family Center, please contact your respective military branch's headquarters office listed below. The designation "DSN," preceding some

SERVICES AND RESOURCES FOR CONSUMERS WITH DISABILITIES

Relay Services

Telecommunications relay services link telephone conversations between individuals who use standard voice telephones and those who use text telephones (TTYs). Calls can be made from either type of telephone to the other type through the relay service.

Local Relay Services

States provide relay services for local and long distance calls. Please consult your local telephone directory for information on the use, fees (if any), services, and dialing instructions for that area.

Federal Relay Service

The FRS, a program of the U.S. General Services Administration (GSA), provides access to TTY users who wish to conduct official business nationwide with and within the federal government. The toll-free number is 1-800-877-8339. For more information on relay communications or to obtain a brochure on using the FRS, please call toll-free 1-800-877-0996.

Other Services

Consumers who are deaf or hard of hearing, or who have a speech impairment, and use a TTY may receive operator and directory assistance for calls by calling toll-free 1-800-855-1155.

Check the introductory pages of your local telephone directory for additional TTY services.

FOR MILITARY PERSONNEL

of the phone numbers, refers to the military phone system and does not apply to the civilian sector.

- **Air Force Community Readiness and Family Support**

AF/A1SF 4E235

Force Sustainment Division

1040 Air Force Pentagon

Washington DC 20330-1040

703-697-0067

www.afcrossroads.com

Air Force Crossroads is a comprehensive resource for Air Force members and their families with support, advice and contacts relating to nearly every aspect of personal and professional life. Along with topics that range from health and wellness, finances, family matters and recreation, the network includes access to the Air Force Spouse Forum, chat rooms, an employment forum, a flea market and links to news sources.

- **Marine Corps Community Services**

3280 Russell Rd.

Quantico, VA 22134-5103

703-784-0275

DSN: 278-0275

Toll free: 1-800-MARINES

Fax: 703-784-9816

www.usmc-mccs.org

The Personal and Family Readiness Division (MR) provides a number of Marine Corps personnel service programs, such as: Casualty Assistance, DEERS Dependency Determination, Voting Assistance, Postal Services, and Personal Claims. MCCS delivers goods and services at over 2,250 facilities and has a staff of more than 12,000 employees worldwide.

- **Fleet and Family Support Programs**

Commander, Navy Installations Command

2713 Mitscher Road, SW, Suite 300

Washington, DC 20373-5802

1-800-FSC-LINE (372-5463)

www.nffsp.org

The Fleet and Family Support Program delivered by Commander, Navy Installations Command, provides support, references, information and a wide range of assistance for members of the Navy and their families to meet the unique challenges of the military lifestyle. Up-to-date news, messages, links and resources are provided, including assistance with relocation, employment, career and benefits, healthy lifestyles, casualties, domestic violence, and retirement.

BETTER BUSINESS BUREAU MILITARY LINE

The BBB Military Line, www.military.bbb.org, offers consumer education and advocacy to service members and their families. Five service-specific sites contain current military-related consumer news, as well as links to local BBBs and other sites with useful consumer information:

- www.army.bbb.org
- www.navy.bbb.org
- www.airforce.bbb.org
- www.marinecorps.bbb.org
- www.coastguard.bbb.org

Users may request reports, file complaints, and sign up for a custom consumer newsletter. On a local level, area BBBs provide educational briefings for military personnel and their families, and work with local businesses to promote ethical treatment of military consumers.

- **Family and Morale, Welfare and Recreation Command (FMWRC)**, Family Programs

Directorate, Army Community Service

4700 King St.

Alexandria, VA 22302

703-681-5375

DSN: 761-5375

Fax: 703-681-7236

www.myArmyLifeToo.com

The MyArmyLifeToo portal is the single gateway to comprehensive information on the support available to Army personnel and families, including resources to strengthen home and family life, Army basics training, lifelong learning, finances, employment, relevant news, along with links to key resources.

- **U.S. Coast Guard**

2100 Second St., SW, Room 6320

Washington, DC 20593

202-267-6160

Toll free: 1-800-368-5647 (Safety)

Toll free: 1-877-NOW-USCG (Recruiting)

Fax: 202-267-4798

www.uscg.mil

The U.S. Coast Guard can provide key resources, including core publications, career information and related news, as well as comprehensive background about its mission, community services, history, photos and reports.

MILITARY HOMEFRONT

www.militaryhomefront.dod.mil

Military HomeFront is the official Department of Defense website for information to help improve the quality of life for troops and their families. Members of all branches of the military service and their families will find reliable, up-to-date details and advice on such topics as education, housing, legal matters, parenting, personal finances, pay and benefits, relocation and healthcare. Military HomeFront also makes it easier for leaders to locate official quality of life program information and resources for their troops and families. In addition, service providers can access desk guides, policies, forms and other resources.

PREDATORY LENDING RESTRICTIONS

As of October 1, 2007, the Talent-Nelson amendment to the John Warner National Defense Authorization Act allows the Department of Defense to regulate the terms of payday loans, vehicle title loans and tax refund loans to active duty service members and their dependents. These three products have high interest rates, coupled with short payback terms.

The rule for service members and their dependents limits the annual percentage rate on these loans to 36 percent. All fees and charges, should be included in the calculation of the rate. The rule also prohibits contracts requiring the use of a check or access to a bank account, mandatory arbitration, and unreasonable legal notice. Any credit agreement subject to the regulation that fails to comply with this regulation is void and cannot be enforced. The rule further provides that a creditor or assignee who knowingly violates the regulation shall be subject to certain criminal penalties.

The Department of Defense strongly encourages service members and their families to choose alternatives which are designed to help resolve financial crises, rebuild credit ratings and establish savings for emergencies. Payday loans, vehicle title loans and tax refund loans can propel an already over-extended borrower into a deeper spiral of debt.

MILITARY ONESOURCE

www.militaryonesource.com or 1-800-342-9674

Military OneSource is an excellent hub of information and assistance for military personnel and their families. This comprehensive, 24/7 resource offers a wide variety of helpful services and tools dedicated to meeting the special needs and improving the lives of service men and women, both personally and professionally. In addition to in-person counseling and direct links to all of the armed services home sites, Military OneSource offers advice and who-to-contact information on matters such as health, education, training, moving, shopping, legal issues and finances. Podcasts, webinars, discussion boards and news feeds cover special topics and provide answers to help resolve problems.

COMMISSARIES AND EXCHANGES

Consumers who shop at military commissaries and exchanges and who have a question or problem should contact the local manager before contacting the regional offices. If your problem is not resolved at the local level, then write or call the regional office nearest you. Be sure to discuss the problem with the local and regional offices of a commissary or exchange before contacting the national headquarters.

FOR TEACHERS

Teachers often use the Consumer Action Handbook to teach essential information about credit, insurance, major purchases, complaint letters and other consumer topics. For classroom copies of the Handbook, please e-mail action.handbook@gsa.gov; include the name and address of your school and the number of copies you would like to receive. For additional resources, including lesson plans, go to www.ConsumerAction.gov/caw_teachers.shtml or www.pueblo.gsa.gov/teachers.