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MONEY MANAGEMENT

Why Budget?

Have you ever taken \$100 out of the ATM on Monday and at the end of the week you have \$0 but you don't know where it went? It is important that you know and understand where your money goes. Knowing what your income and expenses are every month will help you take control of your financial situation.

When you take control of your financial situation, it helps reduce the anxiety of not knowing whether you have the money to pay your bills when they are due. It is important to have a sense of control over money, rather than letting money have control over you. Budgeting will help you build assets. Building assets, in turn improves the quality of life for you and your family.

A good place to start taking control of your financial situation is to develop a savings and spending plan. This is called a budget. A budget is a step-by-step plan for meeting expenses in a given period of time.

A budget will:

- Reduce money-related anxiety
- Give you control of your financial situation
- Help you build assets and improve your quality of life
- Allow you to achieve your financial goals

Tips for a good budget:

- Write it down
- Be flexible as emergencies and unexpected expenses will occur
- Revise it regularly
- Be realistic (if you know you need \$100 per week for groceries don't budget only \$80)
- Include all expenses in your budget

Setting Goals

Financial goals will help you plan where your money will go. Having goals will allow you to make your money work for you.

A good goal should be measurable, attainable and have a time period. Tips for setting goals include:

- Be specific
- Put it in writing
- Make it precise, practical, and positive
- Involve the entire family

- Make it achievable, believable and conceivable
- Review your goals every six to eight months
- Adjust as necessary

Types of Goals

Short term goals are goals that are achieved in less than 1 year. For example, start a savings account; pay off a credit card balance.

Mid-term goals can be accomplished in 1-3 years. For example, save for a down payment for a house.

Long-term goals will take over 3 years to accomplish. For example, save for retirement or save for college education for children. Long-term goals can be accomplished by breaking them down into several short term goals. The first step in the goal to save for retirement might be participating in 401k plan at work.

FINANCIAL GOALS WORKSHEET

Long-term Goal: Purchase a house

Short-term and Mid-term Goals:

1. Pay off credit card
2. Save for down payment
3. Attend homebuyer class

Target Date:

1. 10 months
2. 20 months
3. 12 months

Estimated Costs:

1. \$1000
2. \$3000
3. No cost

Monthly amount to be saved:

1. \$100
2. \$100 for 10 months, then \$200 for 10 months
save \$100 per month until credit card is paid off then increase savings to \$200 per month
3. No cost

Progress:

- 1.
- 2.
- 3.

DEVELOPING A BUDGET

There are 2 parts to a budget: income and expenses.

Income

Estimate your income. Include all income you receive on a regular basis – salary, overtime, commissions, bonuses, rental income, etc. Include things like child support and alimony only if you receive them on a regular basis.

Here are some income sources you would want to include:

- Wages
- Public assistance
- Child support
- Alimony
- Interest
- Dividends
- Social Security

Gross income is the amount you earn before taxes and other payroll deductions. It is your total personal income before taking taxes or deductions into account. It is the figure people are looking for when they ask how much you gross a month.

Net income is an individual's income after deductions, credits and taxes are factored into gross income. It is your take-home pay after taxes and other payroll deductions. Your net income is the amount that you will use when developing your budget.

Calculating Your Gross Monthly Income

If you are paid hourly: Multiply your pay before deductions by number of hours you work in one week, then multiply this number by 52 weeks, then divide by 12 months to get your gross monthly income.

- $(\text{pay before deductions}) \times (\# \text{ of hours worked in 1 week}) \times (52 \text{ weeks}) \div (12 \text{ months}) = \text{gross monthly income}$

If you are paid weekly: Multiply your pay before deductions by 52 weeks and divide by 12 months to get your gross monthly income.

- $(\text{pay before deductions}) \times (52 \text{ weeks}) \div (12 \text{ months}) = \text{gross monthly income}$

If you are paid bi-weekly: Multiply your pay before deductions by 26, then divide by 12 months to get your gross monthly income

- $(\text{pay before deductions}) \times (26 \text{ pays per year}) \div (12 \text{ months}) = \text{gross monthly income}$

If you are paid twice a month: Multiply your pay before deductions by 24, then divide by 12 months to get your gross monthly income

- $(\text{pay before deductions}) \times 24 \div (12 \text{ months}) = \text{gross monthly income}$

If you are paid monthly: Your gross monthly pay will be listed on your paycheck

If you are not paid regularly: Divide your income from last year's tax return before deductions by 12 months to get you gross monthly income

- $(\text{income from last year's tax return before deductions}) \div (12 \text{ months}) = \text{gross monthly income}$

Calculating Net Income

- **If paid weekly**, multiply your take home pay by 52
- **If paid bi-weekly**, multiply your take home pay by 26
- **If paid semi-monthly**, multiply your take home pay by 24
- **If paid monthly**, multiply your take home by 12

This will provide you with your NET ANNUAL INCOME. To determine your NET MONTHLY INCOME divide your NET ANNUAL INCOME by 12.

- $(\text{net annual income}) \div (12 \text{ months}) = \text{net monthly income}$

Expenses

The second part of the budget is your expenses. There are 3 types of expenses: fixed, variable and periodic.

Fixed expenses are expenses which are the same amount every month. Fixed expenses are the easiest to plan for in your budget. Some examples of fixed expenses would include mortgage payment, rent, and car payments.

Variable or flexible expenses are expenses that occur each month but the amounts will vary. It is more difficult to plan for variable expenses when developing your budget. Examples of variable expenses would include groceries, electric, gasoline, etc.

You can estimate an average monthly amount for variable expenses by tracking your actual expenditures over several months to get a good average monthly cost.

Some utility companies offer budget billing programs. A utility budget billing program typically works like following:

- Your utility usage and costs are estimated for a year.
- This estimate is then divided into 12 monthly amounts.
- You pay this set amount for the utility service each month.

- At the end of the year, the utility calculates the difference between the actual cost of your utility service and the amount that you paid under the budget program.
- You are then either credited for any overpayment or charged for any underpayment over a set period.

The third type of expenses is called **periodic expenses**. This means they occur occasionally or on a periodic basis. Examples of periodic expenses include car insurance, license plates, vacations, holidays, and school supplies.

Some periodic expenses have a set amount that is paid on a scheduled basis. For example, your car insurance may be paid quarterly or semi-annually.

Take that amount due and divide it by the time period to determine the monthly cost. You need to set that amount aside every month so you will have sufficient money to pay the bill when it arrives. For example, your car insurance is \$200 quarterly so you would need to save \$50 each month to have available to pay your insurance bill when it comes due.

For others periodic expenses like vacation, holiday shopping, or school supplies, you will need to set a goal or determine how much money you need. You could review past expenditures to come up with a reasonable amount to save for each area. For example if you decide you need to \$1200 for your vacation in a year's time, you need to put \$100 a month into your vacation fund.

Tracking your expenses

The first step in developing a budget is to determine where your money is currently being spent. Don't know what you are spending? You should track your spending by writing down everything you spend. Set a time period, at least 2 weeks but a month would provide more accurate information. During that time period, you will need to record everything you spend. You should have a small notebook or form where you can record this information. If you prefer, you could keep receipts for all your purchases and then every evening, write down all your expenditures for the day. If you are married, or share finances with someone, both parties will need to do this. At the end of the month, group your expenditures into categories like dining out, groceries, etc. This exercise will only be effective if you write down EVERYTHING you spend. **You will use this information in addition to your income data to complete your budget setup.**

EXPENSE TRACKING WORKSHEET

Record your daily expenses. Write down everything you spend for each day.

Day	How did I spend my money today?	Total Daily Expense
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		
Sunday		

Budgeting Tools

There are several different budgeting tools. Choose the one that works best for you.

Budget Worksheet Forms

There are several different budget worksheet forms available. Forms can be found on-line or in publications. Sample forms are provided below. You will want to tailor the form to include all your budget categories. You could easily create your own personalized form using Excel.

BUDGET WORKSHEET 2

Month _____

Category	Budgeted Amount	Actual Amount	Difference
Income			
Wages and Bonuses			
Interest Income			
Investment Income			
Miscellaneous Income			
Total Income			
Expenses			
Savings			
Home			
Mortgage or Rent			
Homeowners/Renters Insurance			
Property Taxes			
Home Repairs/Maintenance/HOA Dues			
Home Improvements			
Utilities			
Electricity			
Water and Sewer			
Natural Gas or Oil			
Telephone (Land Line, Cell)			
Food			
Groceries			
Dining Out			
School Lunches			
Transportation			
Car Payments			
Gasoline/Oil			
Auto Repairs/Maintenance/Fees			
Auto Insurance			
Other Transportation (tolls, bus, subway, taxis)			
Entertainment/Recreation			
Cable TV/Videos/Movies			
Computer Expense			
Hobbies			
Subscriptions and Dues			
Vacations			

Pets			
Food			
Grooming, Boarding, Vet			
Health & Medical			
Insurance (medical, dental, vision)			
Un-reimbursed Medical Expenses, Co-pays			
Fitness (Yoga, Massage, Gym)			
Clothing			
clothing, accessories			
Laundry Dry cleaning			
Miscellaneous			
Toiletries, Household Products			
Grooming (Hair, Make-up, Other)			
Daycare			
Dues			
Tithes			
Lottery tickets, cigarettes, etc.			
Debt Payments			
Credit Cards			
Student Loans			
Other Loans			
Total Expenses			
Difference (Income - Expenses)			

MONTHLY PAYMENT SCHEDULE WORKSHEET

- Enter your income sources and amounts in the income column on the Monthly Payment Schedule worksheet. Record the date the income amount is expected.
- Enter your expenses, the date due, amount due, and the date paid into the appropriate columns of the Monthly Payment Schedule worksheet.
- Use different colored ink for income and expenses.

Monthly Payment Schedule

Month _____

Income	Bills	Pay or Due Date	Amount Due	Paid
Salary		March 3	\$1000	
Child Support		March 6	\$300	
	Savings	March 4	\$25	
	Rent	March 10	\$500	
	Groceries	March 18	\$200	
	Telephone Bill	March 15	\$35	

MONTHLY PAYMENT CALENDAR

- Enter your income sources and amounts on the dates when the income is received.
- Enter your expenses on the dates they are due on the Monthly Payment Calendar worksheet.
- Use different colored ink for income and expenses.
- Check off each bill as it is paid.

Monthly Payment Calendar

March

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3 <i>\$1000 paycheck</i>	4 <i>\$25 savings</i>
5	6 <i>\$300 child support</i>	7	8	9	10 <i>\$500 rent</i>	11
12	13	14	15 <i>\$35 phone bill</i>	16	17	18 <i>\$200 groceries</i>
19	20	21	22	23	24	25
26	27	28	29	30	31	

Envelope System

- This tool is useful if you pay your bills with cash each month.
- Make an envelope for each expense category (rent, utilities, food, etc.)
- Label the envelope with the purpose, amount, and date due.
- When you receive income, divide it into amounts to cover the expenses listed on the envelopes.
- Pay bills right away, so you won't be tempted to spend the money for something else.

Computer System

- There are several software programs that can be used to develop budgets and track expenses.
- Using a computer to manage your finances is relatively easy. Once you set up the system, updating information is quick and easy.
- It is important to enter transactions frequently to truly understand your financial position.

Analyze Your Budget

$$\text{Income} - \text{Expenses} = \text{????}$$

Take your income and subtract your expenses. Your income should be sufficient to cover all your expenses. You should not be spending more than you are making.

If after paying all your expenses, and there is money left over, you should save or invest this money. Having money left over after paying all your bills is not an excuse to spend it.

If you have just enough income to cover your expenses but no money left over, you will need to go back and review your budget. Are there places where you could reduce your spending? For example, dining out, clothing, etc.

If you do not have sufficient income to cover all your expenses, you need to make some changes. You have 3 options: increase your income, decrease your expenses, or do both.

Increase income

Is it possible to make more income at your current job? Are you due for a raise or promotion? Talk to your boss and see if you have any opportunities. Does your employer offer overtime? Ask if you can work overtime.

If it is not possible to increase your income at your current job, you may need to consider taking a part-time job to supplement your income. You may also want to consider investing in some training to develop new skills in the hopes of finding a better paying job in the future.

Decrease Expenses

Review your budget for expenses that you may be able reduce. You have little control over fixed expenses so you may not be able to reduce them. Look at flexible expense. What could you do to cut back? Here are some suggestions:

- Eliminate cable/satellite service or cut back on extra subscription channels.
- Eliminate extra phone services, such as call waiting or caller ID.
- Switch to a free Internet access provider.
- Cut back on smoking.
- Take lunches to work instead of eating out
- Cut back on dining out.
- Review your home and auto insurance. Comparison shop with other companies. Consider raising your deductibles.
- Use coupons.
- Rent videos instead of going to the movies.
- Borrow books and magazines from the library instead of purchasing them.
- Turn down heat or air conditioning while you are not home. Consider installing a programmable thermostat
- Find a bank with a no-fee checking account.
- Switch to a credit card with no annual fee.
- Carpool whenever possible.
- Buy only what you need—don't buy things just because they are on sale
- Shop around to get the best deal for big-ticket items like cars and appliances
- Pay your bills on time to avoid late fees, extra finance charges, utilities being turned off, eviction, repossessions, and the costs of a bad credit rating.

WANTS AND NEEDS

A **need** is something you have to have. A **want** is something you desire. For some, the difference between the two can be hard to distinguish.

Examples of Wants vs. Needs

- I need food. I want steak.
- I need clothing. I want Abercrombie®.
- I need shelter. I want a house with a picket fence and a big backyard.
- I need transportation. I want my own car.
- My child needs education. I want my child to go to private school.

These examples represent how we take our basic needs and turn them into desires. For instance, clothing could be a need or a want, depending on the type of clothing. A shirt from a discount store or garage sale will fill our NEED but our WANT is what compels us to the designer clothing rack.

Decision Making Skills

How can we develop good decision-making skills to distinguish between wants and needs?

Good decision-making is an acquired skill. As with any skill, you have to practice to get better. Here are some tips to follow:

1. **Not only do we buy too much, but we often go into debt by doing so.** The first way to start making good decisions is by listing all the items you wish to purchase. Deciding how to spend your money often requires tradeoffs. List the items you wish to purchase on a goal sheet and then categorize them by want or need. This is the first step to good decision making.
2. **Evaluate your choices by Pros and Cons.** Ask yourself the following: What happens if I buy this item now? What are the pros and cons? Can I live without it? Does it make my life easier?

These questions help us to decide how our life is impacted by the decisions we make today. When we ask ourselves these questions we learn how our decisions affect our lives in a positive or negative way. No one wants to wake up in the morning and see how they can hurt themselves that day. So why make decisions any other way?
3. **Make a plan and stick to your budget.** Use the Purchase Worksheet on a monthly basis and review your information each year. When you make a plan to not purchase outside of this system you are better at sticking to the budget.
4. **Evaluate your choices.** Look back over your budget and analyze your spending. What lessons did you learn from the process? Did you set your goal to high or low? Could I have found it cheaper somewhere else?
5. **Reward yourself for good behavior.** If you are able to stick to your budget, you deserve a reward. Each month purchase one “bonus” item.

PURCHASE WORKSHEET

WANT VS NEEDS

Deciding how to spend your money often requires tradeoffs.

1. List the items you wish to purchase on the purchase worksheet.
2. Categorize each item as a “want” or a “need.”
3. Compare the item cost locally with two different sources.
4. Start saving money for that item.
5. If financially able, pick one item monthly as reward.

ITEM to Purchase	Want or Need	Estimated Cost of item Store #1	Estimated Cost of Item Store #2	Amount saved/budgeted for the item

Item purchased this month _____

Estimated cost	_____
Actual Cost	_____
Difference	+/- _____
Carry over for next month	_____

HOW TO USE GOOD DECISION-MAKING SKILLS TO COMPARISON SHOP FOR GOODS AND SERVICES

Goods would be defined as anything that anyone wants or needs. **Services** would be the performance of any duties or work for another; helpful or professional activity.

It is important to get the best bang for your buck. Therefore we need to learn to compare not only price, but quality and convenience too.

It is important that you don't go out and buy the first big screen TV you look at. There are several online shopping guides and printed consumer reference guides to help you make informed decisions. Compare "Apples to Apples" before you buy to get the best value.

Price

You may wonder why the prices of goods go up and down so often. One of the reasons is the law of supply and demand. Supply refers to how many of a certain good or services are available for people to purchase. Demand means how many people wish to buy that good or service.

If the product is a good one, there will probably be high demand. Or if the product is well advertised, more people will know about the product and want it. This affects the price you will pay.

Quality

The quality of a product depends on its ability to serve the function within given performance standards. How well a product is designed will affect the price. Quality determines how satisfied a customer is with the value they are getting for their dollar.

Convenience

Convenience is how easy it is to get the product you need and how easy it is to return that item if necessary. If you get a great deal forty miles away was it really convenient? You need to factor in the gas you spent getting the item, the time away from home, and what happens if you need to return the item.

Online Shopping Trend

With the online shopping boom, convenience has become a word that is tossed around frequently. As people are becoming more comfortable using the Internet, they're also more willing to shop for goods and services online. After all, the Internet lets you research products, comparison shop among hundreds of businesses, sign up for special deals, and pay for your purchases 24 hours a day, seven days a week without ever leaving home. But while online shopping offers great convenience, there also can be hazards.

Here are some tips for internet buying:

- 1. Deal with a reputable company.** Stick to companies you already know from their retail outlets, mail order catalogues or other services. Be suspicious if the merchant doesn't list a physical address or a phone number.
- 2. Take precautions to protect the privacy and security of your personal information.** Read information on the company's security practices and its privacy policy, primarily to find out how it safeguards bank account, credit card and other confidential information. Protect your card numbers by shopping at Web sites that encrypt your card number so they can't be read by outsiders.
- 3. Be prepared for a possible problem.** Before you make a purchase or a payment, read the information on the Web site regarding your right to stop payment or the company's refund and return policies for damaged goods or faulty service. Print out copies of purchase orders and confirmation numbers in case there's a dispute. Also regularly check your bank and credit card account statement for errors or unauthorized withdrawals.

Here are a few websites that offer assistance to buyers:

<http://froogle.google.com/>

<http://products.consumerguide.com/>

<http://www.mysimon.com/>

<http://www.infofaq.com/>

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

<http://www.pricescan.com/>

SAVING FOR EMERGENCIES

Banks have traditionally offered consumers deposit products, such as checking, savings and money market deposit accounts, and certificates of deposit (CD's) for which each depositor is insured by the FDIC up to \$100,000.

Increasingly, these banks are also offering consumers a broad array of investment products that are not deposits, such as mutual funds, annuities, life insurance policies, stocks and bonds. Unlike the traditional checking or savings account, however, these non-deposit investment products are not insured by the FDIC. This means they may lose value and have no bank guarantee.

It's important to remember that there are generally higher risks associated with non-deposit investment products than with the traditional deposit products, such as savings and interest bearing checking accounts.

In this day in age consumers need to educate themselves before taking risks with their investments.

Non-Deposit Investment Examples

An **annuity** is a contract between you and an insurance company, under which you make a lump-sum payment or series of payments. In return, the insurer agrees to make periodic payments to you beginning immediately or at some future date. Annuities typically offer tax-deferred growth of earnings and may include a death benefit that will pay your beneficiary a guaranteed minimum amount, such as your total purchase payments.

A **mutual fund** is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, or other securities. Investors purchase mutual fund shares from the fund itself (or through a broker for the fund), but are not able to purchase the shares from other investors on a secondary market, such as the New York Stock Exchange or Nasdaq Stock Market.

Stocks are the capital raised by a corporation through the issue of shares entitling holders to an ownership interest (equity); "he owns a controlling share of the company's stock"

Here are a few tips to protect you:

- Never invest in a product that you don't understand.
- Be sure you have enough information before making an investment. Ask questions until you are satisfied.
- Understand the risks involved in your investment. Investments always entail some degree of risk.
- Know who is investing your money—does the salesperson work for the bank or a third-party broker/dealer?

- Select a sales representative who understands your financial objectives by interviewing two or three to compare experience, education, and professional background.

Reasons to save:

- **No one wants to work forever.** The biggest reason to save for your retirement is that you will not be able to work forever. We need to plan for the day when we are unable to work.
- **You are not sure how long you will live.** People are living longer lives. What used to be enough for retirement for our parents will not be enough for us. It is very likely that Social Security that has provided retirement for past generations will be broke in the future or unable to keep up with demand and inflation.
- **You are never sure when an emergency will come up.** The best time to plan for a rainy day is when the sun is shining. Everyone has had something come up in their lives that requires extra money. By saving now you will not be some financially burdened when that day comes.
- **The sooner you start saving, the more money you will have for your future.** That is because interests compound over time. The money you save today will earn more after the 20th year than it did this year.
- **Control.** Isn't it nice not to live paycheck to paycheck? By saving a small amount from each check you are giving yourself a raise. You have control over your money instead of it having control over you.

Saving money is hard. You have to be dedicated to the task. Millions of working Americans find it's a challenge just to pay for their house, car, insurance, child care and other expenses each month. We can't predict the future, but we can help you learn from the past, including the errors people have commonly made with their retirement planning and savings.

If you have a question regarding an investment you can contact your State Securities Commission, Securities Department, or Department of Corporations. They regulate the public offer and sale of securities by companies in your state. You can get the name and telephone number by calling the operator in your state capital or visiting NASAA on the Internet at www.nasaa.org.

Chances are good that you could live 25 years or more after your last paycheck- years when expenses and inflation can take large chunks out of your retirement funds. We hope we've given you new incentives and new ideas for saving and investing wisely for your golden years.

RECORD KEEPING

You will need to set up a record keeping system. Choose one place to keep your records. This might be a home office or a file cabinet. You will also need either a safe deposit box or a fireproof safe to store hard-to-replace documents.

You should set up a regular schedule for record keeping and follow it. Schedule a regular time during the month to balance the checkbook, fill in the income and expense records, update your budget and pay the bills. Annually, you will need to review your records and discard any information that is no longer relevant or necessary.

An efficient record keeping system will allow you to:

- save time and money
- locate payment documentation when needed
- document losses for insurance claims
- prepare tax returns

Some records you will need to keep indefinitely. Store these documents in a safety deposit box at the bank or a fireproof safe in your home.

Examples of records that should be kept in a long-term, safe place are:

- Copy of your will. A copy should also be filed with your attorney.
- Birth and death certificates.
- Marriage licenses, prenuptial agreements, alimony and child-custody agreements, divorce decrees, adoption papers.
- Military service records.
- Citizenship papers.
- Passports.
- Health care power of attorney which gives someone you trust the legal right to make medical decisions for you if you become incapacitated.
- Copies of your IRA, 401(k) and other retirement account participation plans. These forms determine what happens to the money in these accounts when you die, not your will.
- All current insurance policies: home, health, disability, and auto.
- Deeds, property titles, mortgages.
- Vehicle titles.
- Stock and bond certificates.
- Household inventory. In the event of a robbery or house fire, this is a valuable record for insurance purposes.
- Contracts.

Other records you need to keep include:

- **Taxes** -- Seven years. The IRS has three years from your filing date to audit your return if it suspects good faith errors, and six years if it thinks you underreported your gross income by 25 percent or more.
- **IRA contributions** -- Permanently.
- **Retirement/Savings plan statements** -- From one year to permanently. Keep the quarterly statements until you receive your annual summary; keep the annual summaries until you retire or close the account.
- **Bank records** -- From one year to permanently. Throw away checks that have no long-term importance, but keep checks related to your taxes, business expenses, and housing and mortgage payments.
- **Brokerage statements** -- Until you sell your securities.
- **Bills** -- From one year to permanently. In most cases, when you receive the canceled check, the bill can be tossed. However, you should keep bills for big purchases (e.g., jewelry, appliances, cars, collectibles, etc.) for proof of their value in the event of loss or damage.
- **Credit card receipts and statements** -- From 45 days to seven years. Keep the statements seven years if they document tax-related expenses.
- **Paycheck stubs** -- One year. If your W-2 form matches your stubs, you can toss your stubs.
- **House/Condominium records and receipts** -- From six years to permanently.
 - Keep all records documenting the purchase price and the cost of all permanent improvements -- such as remodeling, additions and installations.
 - Keep records of expenses incurred in selling and buying the property, such as legal fees and your real estate agent's commission, for six years after you sell your home.

WISE USE OF CREDIT

Credit is borrowing money from a person or company and repaying it at a later date, usually with accrued interest charged on top of the initial sum borrowed. You make a promise to pay back the money you borrowed plus some extra. The extra amount is part of the cost of borrowing the money. It allows you to have the goods or services now and pay for them at a later time.

If you use credit wisely, it can be a very useful tool in accomplishing your financial goals. If you are not careful in the way you use credit, it can cause problems. Good credit means you make your loan payments on time and repay the money you owe. If you have a good credit record, it will be easier to borrow money in the future. A credit record that shows problems will make it harder for you to borrow money in the future.

It is important to remember that credit is not income. It is debt. Every time you use your credit card to make a purchase, you are actually taking out a mini loan with interest.

TYPES OF CREDIT

Secured Loans

This type of loan is secured by collateral. Security or collateral is required for large loans or if the borrower has no credit history or a poor credit history. Collateral is what you promise to give to the bank if you do not pay back the loan. Examples of collateral include a house, cars, investments or savings accounts. You can use the car or home you are purchasing with a loan as collateral. When a loan is secured by collateral, the bank can take the item if you do not pay back the loan.

Unsecured Loans

An unsecured loan is not backed by collateral. These are usually for smaller amounts than secured loans. Store credit cards are examples of unsecured loans.

Consumer Installment Loans

A consumer installment loan is used to pay for personal expenses for you and your family. An installment loan usually has a set monthly payment amount. These loans may be secured or unsecured.

Examples of consumer loans:

- Auto loans are used for buying an automobile. The automobile you are purchasing is used as collateral for the loan.
- Personal loans are unsecured loans used for short-term needs like buying a computer.

Credit Cards

Credit cards give you an ongoing ability to borrow money for household, family, or other personal expenses. These are revolving loans which means that the monthly payment will vary depending on the loan terms and the account balance.

Home Loans

Home loans are secured by your home. There are three main types of home loans.

- Home Mortgages
 - loans are made for the purpose of buying a house
- Home refinancing
 - an existing home loan is paid off and replaced by a new loan, usually with more favorable loan terms such as a lower interest rate
- Home equity loans
 - borrow against the equity in the home
 - The amount of equity is the value of the property minus the debt.
 - $\$100,000$ (Value of home) – $\$70,000$ (amount owed on mortgage) = $\$30,000$ (equity)
 - generally can be used for any purpose

COST OF CREDIT

There are costs associated with credit. When you get a loan, there are generally two costs you must pay: fees and interest.

Fees

A fee is the money charged by a financial institution to review your application for credit or to service your credit account. Examples of fees include:

- Maintenance fees
- Service charges
- Late fees

Interest

Interest is the amount of money the bank charges you for letting you use its money. Interest is only part of the total cost of credit. It can be either variable or fixed.

- Variable rate means the interest rate may change during any period of the loan term, as written in the contract.
- Fixed rate means the interest rate stays the same throughout the term of the loan.

Cost of Credit Example

Amount Financed	\$5,000.00
APR	12%
Finance Charge	\$675.31
Total of Payments	\$5,675.31

Lenders charge various rates and fees. The Truth in Lending law requires lenders to state charges in a clear and uniform manner so consumers can easily compare prices. Lenders are required to disclose:

- Amount Financed – the amount of the loan provided to you. For this example, you are borrowing \$5,000.
- Annual Percentage Rate, or APR - the cost of your loan expressed as a yearly percentage rate. When shopping for loans, you should compare APRs, not interest rates, since APRs reflect the cost of interest and other finance charges. For this example, the APR is 12%.
- Finance Charge - the total dollar amount the loan will cost you. It includes items such as interest, service charges, and loan fees. For this example, the finance charge totals \$675.31.
- Total of Payments – the amount you will have paid after you have made all payments as scheduled. For this example, the total of payments equals \$5,675.31.

For this example, we are assuming the loan is for two years. Remember, if the length of the loan is longer, the monthly payments will be lower. However, you will end up paying more interest in the end.

COSTS OF OTHER TYPES OF CREDIT

Rent-to-own

These services allow you to use an item for a period of time by making monthly or weekly payments. If you want to purchase the item, the store will set up a plan for you to rent it until you pay enough to own it. The store is the legal owner of the item until you make the final payment. If a payment is missed, the store can take the item back. If this happens, you will not own the item, and you will not get any money back.

Rent-to-own agreements are technically not loans, so no 'interest' is charged. However, the difference between the cash price and your total payment is like the interest you pay on a loan. Generally, using rent-to-own services is more expensive than getting a consumer installment loan.

Payday Loans

These loans are usually made to people who need money right away and plan to pay it back with their next paycheck. If you do not have the money to pay the loan within the agreed time period, the lender will renew the loan and charge you additional fees. This increases the total amount you owe.

Example:

- You go to a payday lender and borrow \$100.
- The payday lender will usually make a 2-week loan and might charge a fee of \$15.

- You will write a postdated personal check to the payday lender for \$115 (or write a \$100 postdated check and pay \$15 cash).
- The payday lender holds the check for two weeks.
- When the money is due, you can repay the loan by letting the lender cash the check, or you can give the lender the full amount due in cash.
- Most payday lenders allow you to “rollover” or renew your loan. The lender will charge an additional fee. In this case, you would write another postdated check, this time for \$130 (\$115 + \$15 additional fee).
- If you roll the loan over four times, you would be paying \$60 to borrow the original \$100.

Refund Anticipation Loans

These are short-term loans secured by your income tax refund. Although the business preparing your income tax return will give you the money, you are actually receiving a loan from a bank or finance company. Because you do not have to pay any fees associated with obtaining a refund anticipation loan at the time you receive the money, you may not realize how much this loan is really costing you.

For example: Your refund is \$1,500 dollars and the fees associated with filing your income tax return and the refund anticipation loan equals \$300.00. You will receive a check for \$1,200. You are actually paying \$300.00 in fees to obtain your income tax refund.

It is important to remember that the paperwork you sign to receive a refund anticipation loan will legally obligate you to repay a \$1,500.00 loan. So, if your actual refund is only \$800.00, you are responsible for repaying \$700.00 plus interest to the bank or finance company that gave you the refund anticipation loan.

Applying for Credit

When you apply for credit, the lender will review three main factors to decide whether you are a good credit risk and if you will be able to pay back the loan. The factors are often called the Three Cs.

- **Capacity** is your present and future ability to meet your payments. Do you have a job?
- **Capital** is your savings and other assets, which can be used as collateral for loans.
- **Character** means how you have paid your bills or debts in the past. How responsible are you? Lenders use credit reports as an indication of your ability to handle credit.

Checklist for Credit Decisions

Here are some questions you might be asked when applying for credit:

- How long have you been in your job?
- How much money do you make each month?
- What are your monthly expenses?

- How much money do you have in checking and savings accounts?
- Do you own a house?
- Do you have investments or other assets (e.g., car)?
- Have you had credit in the past?
- How many credit accounts do you have?
- Have you ever been denied credit?
- Have you ever filed for bankruptcy?
- Have you had any outstanding judgments, property repossessed or foreclosed upon?
- Have you ever made late payments?

Before obtaining credit, ask yourself these questions:

- Do I need this?
- Do I need it now?
- Can I wait until I have cash to pay for it?
- Can I get credit?
- How much more will I pay if I buy on credit?
- Can I afford the monthly payments?
- What is the total cost of credit?
- Are there any fees?
- What is the annual percentage rate?

After you get credit, it is very important to use it wisely. Follow these tips to manage your credit:

- If possible, pay off your entire bill each month. If you are unable to pay the entire balance, do try to pay more than the minimum payment due. This will reduce your finance charges and total interest paid.
- Pay on time to avoid late fees and to protect your credit. If you cannot pay on time, call your creditor immediately to explain the situation. They may waive late fees or be willing to make different payment arrangements.
- Always check your monthly statement to verify transactions. Call your creditor right away if you suspect errors in your statement.
- Ignore offers creditors may send you to “reduce” or “skip” payments. You will still be charged finance charges during this period.
- Think about the cost difference if you purchase your item with cash versus if you purchase your item with credit:
 - If you purchase a \$500 stereo with a credit card with a 20% APR, it will cost \$1,084 and take 9 years to pay off if you only pay the \$10 minimum monthly payments.

Credit Reports

A credit report is a record of your credit history and how well you have managed your debts. A credit report shows how much debt you have and whether you've made payments on time.

There are three major credit reporting agencies that supply credit reports. They are Equifax, Experian, and TransUnion.

Credit reporting agencies receive information from a variety of creditors, usually monthly, about whether you and other customers are making loan payments on time. Information about bankruptcy filings, court-ordered judgments, tax liens and other public record information is collected by agencies from courthouse records.

The reports from each of the credit agencies look different but contain the same basic information. Typically a credit report contains:

1. Identifying information including:

- Name
- Social Security number
- Current and previous addresses
- Telephone number
- Birth date
- Current and previous employers
- Spouse's name

2. Credit information including.

- Creditor Names
- Account Balances
- Payment History
- Account Terms

3. Inquiries or a list that identifies creditors and other authorized parties who have requested and received your credit report.

4. Public record information. These are items that are matters of public record including:

- Tax Lien - A claim against property filed by the taxing authority for unpaid taxes.
- Judgment - A court order placing a lien on a debtor's property as security for a debt owed to a creditor.
- Collection Account - A past due account that has been referred to a specialist to collect part or all of the debt.

- Bankruptcy - A legal proceeding that can legally release a person from repaying debts that a person cannot pay back.

Obtaining Your Credit Report

Under the Fair and Accurate Credit Transactions Act (FACT Act), consumers may request and obtain a free credit report once every 12 months from each of the three nationwide consumer credit reporting companies: Equifax, Experian and TransUnion. AnnualCreditReport.com is the official site to help consumers obtain their free credit report. To request your free credit report, go to www.annualcreditreport.com. Although the credit reports are free, you will have to pay a fee to obtain your credit score.

You may contact the credit reporting agencies directly to request your credit report.

- Equifax
 - www.equifax.com
- Experian
 - www.experian.com
- TransUnion
 - www.transunion.com

There will normally be a fee to obtain your credit report. You are entitled to a free credit report:

- Your annual free credit reports through www.annualcreditreport.com
- You have been denied credit recently based on your credit history
- You have been denied employment or insurance recently based on your credit history
- You suspect someone has been fraudulently using your account
- You are unemployed and intend to apply for employment within 60 days
- You receive public welfare assistance
- You live in certain states

Correcting Errors on Your Credit Report

It is important to review your credit report annually for accuracy. Most credit reports contain some type of errors. While most errors are small, like misspelled names or incorrect dates, some credit reports have errors that are serious enough to cause consumers to be denied credit. When a credit report contains errors, it is often because the report is incomplete, or contains information about someone else.

If you find an error on your credit report, contact the credit reporting company that is reporting the item in question and file a dispute. If you received your credit report by mail, it should include a dispute form that you can complete and return to the credit reporting agency. State the facts and explain why you dispute the information, and request that the information be deleted or corrected. Include any documentation (proof of payment, etc) that supports your case. Remember to send only copies and not the originals.

You may be able to complete an on-line dispute form. Log on to the website of the credit reporting agency and follow the instructions provided. You may need to follow up the on-line dispute with a letter containing copies of any supporting documentation. After receiving your on-line dispute, the credit reporting agency will contact you if additional documentation is required.

The credit reporting company is required to investigate your dispute within 30 days of receiving your letter. The disputed information will be revised depending on the results of the investigation.

It is important to remember that accurate negative information will remain in your file for a specified time period. Most accurate negative information will remain on your credit report for seven years and some bankruptcy information for 10 years.

Credit Scores

Credit scores are used by lenders to determine your credit risk. Credit scoring is a tested and validated statistical model that evaluates many types of information in a credit file to predict the likely future performance of the consumer's credit risk. These models employ the logic that history will repeat itself where a borrower is concerned. For example, if a person has a history of being late with payment, then the chances of that person defaulting on a loan are higher than someone who always pays on time.

Credit scores are calculated utilizing the following information on your credit report:

- payment history
- amounts owed
- length of credit history
- new credit
- types of credit used

Your credit score affects your ability to obtain credit. A high score will qualify you for more offers with better terms like lower interest rates.

Identity Theft

Identity theft occurs when someone steals your personal information to take to obtain credit, credit cards from banks and retailers, steal money from the your existing accounts, apply for loans, establish accounts with utility companies, rent an apartment, file bankruptcy or obtain a job using the your name.

Using a variety of methods, criminals steal Social Security numbers, driver's licenses, credit card numbers, ATM cards, telephone calling cards, and other pieces of individuals' identities such as date of birth. They use this information to impersonate their victims, gain access to their account, spending as much money as they can in as short a time as possible before moving on to someone else's name and identifying information.

There are steps you can take to safeguard your personal information and protect your identity.

- Safeguard personal information and be careful about giving it out. Do not carry extra credit cards, your Social Security card, birth certificate or passport unless needed.
- Protect your Social Security number with extra care. Don't have your Social Security number printed on your checks or use it as your driver's license number.
- Only give out personal information over the phone if you initiated the call. Identity thieves may call, posing as banks or government agencies.
- Guard your credit cards and follow your billing cycles closely. Review your statements carefully for any unauthorized purchases.
- Shred all documents containing personal information before disposing of them.
- Use passwords and PINS. When you create passwords or PIN numbers, do not use information that may be easily discovered by identity thieves like your birth date.
- Avoid scams and phishing. Do not respond to emails that request your personal information.
- Don't disclose credit card or other financial account numbers on a Web site unless the site offers a secure transaction.

If you believe you have been a victim of identity theft, contact the Federal Trade Commission's (FTC) Identity Theft Hotline at 1-877-IDTHEFT (438-4338) or www.consumer.gov/idtheft . The FTC also recommends that you:

1. Contact the fraud department of the three major credit reporting agencies. Ask them to place a "fraud alert" in your file.
2. Contact your creditors about any accounts that have been changed or opened fraudulently. Ask to speak with someone in the security or fraud department.
3. File a report with your local police. Get a copy of the police report, so you have proof of the crime.

Establishing Credit

If you have no credit history or need to re-establish your credit, use the following tips.

- Apply for a small loan at the bank or credit union where you have checking and savings accounts.
- Apply for credit with a local store, such as a department store. They typically have a lower credit limit and a higher annual percentage rate (APR) but are generally more willing to lend you money.
- Ask a friend or relative, with an established credit history, to be a co-signer for you. A co-signer promises to repay the loan if you don't.
- Pay your bills on time. This will help establish a good credit history, so you can get credit in the future.

- You might ask the lender to review your history of making rent and utility payments to demonstrate your ability to pay.

Warning Signs of Credit Problems

If any of the following apply to your situation, you are probably experiencing credit problems and need to take control of your situation.

- Your loan payments, excluding mortgages, but including credit card charges, take up more than 20% of your monthly net income.
- You don't have any savings
- You are close to, or over, the limit on your credit card or cards.
- You must borrow to make payments on existing loans.
- You make only the minimum payments on your credit cards.
- You use credit cards for things you used to buy with cash, such as groceries.
- You consistently charge more each month than you make in payments.
- You're unsure of the total amount you owe on all your debts.
- You take out cash advances on your credit card to pay other bills.
- You've tried to make a purchase with your credit card and been declined.
- You've been denied credit.
- You bounce checks.
- You have received phone calls or letters about delinquent bill payments.
- You are hiding the true cost of your purchases from your spouse.
- You have just lost your job, or are fearful that you are about to, and are concerned about how you will pay all your bills.

INSURANCE

General sources of insurance information include government websites, like www.pueblo.gsa.gov, and industry associations like the American Council of Life Insurers, the Insurance Information Institute, the National Association of Insurance Commissioners, and your state insurance department.

Your state insurance department should offer information concerning insurance companies and rates. This is a good way to get a feeling for the range of prices and the lowest-cost providers in your area. Here are a few additional tips to help you in your search for the right insurance carrier for you:

- **Check several sources for the best deal.** Try getting quotes from a website, but be aware that many online quote services provide prices for just a few companies. An independent insurance agent that works with several insurers in your local area may be able to get you a better deal.
- **Make sure the insurance company is licensed and covered by the state's guaranty fund.** This fund pays claims in case the company defaults. Your state insurance department 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.moodys.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 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.** The best way to find out about an agent is to talk to their current clients.
- **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.
- **Follow up with state websites to verify any additional information.**

STATE INSURANCE WEBSITES

Alabama	http://www.aldoi.gov/
Alaska	http://www.dced.state.ak.us/insurance/
Arizona	http://www.id.state.az.us/
Arkansas	http://insurance.arkansas.gov/
California	http://www.insurance.ca.gov/
Colorado	http://www.dora.state.co.us/insurance/
Connecticut	http://www.ct.gov/cid/site/default.asp
Delaware	http://www.state.de.us/inscom/
Florida	http://www.floir.com/
Georgia	http://www.gainsurance.org/
Hawaii	http://www.hawaii.gov/dcca/areas/ins/
Idaho	http://www.doi.idaho.gov/
Illinois	http://www.idfpr.com/DOI/Default2.asp
Indiana	http://www.ai.org/idoi/index.html
Iowa	http://www.iid.state.ia.us/
Kansas	http://www.ksinsurance.org/
Kentucky	http://doi.ppr.ky.gov/kentucky/
Louisiana	http://www.lidi.state.la.us/
Maine	http://www.maineinsurancereg.org/
Maryland	http://www.mdinsurance.state.md.us/
Massachusetts	http://www.mass.gov/doi/
Michigan	http://www.michigan.gov/cis/0,1607,7-154-10555---,00.html
Minnesota	http://www.state.mn.us/portal/mn/jsp/home.do?agency=Commerce
Mississippi	http://www.doi.state.ms.us/
Missouri	http://www.insurance.mo.gov/
Montana	http://www.sao.state.mt.us/
Nebraska	http://www.doi.ne.gov/
Nevada	http://doi.state.nv.us/
New Hampshire	http://www.nh.gov/insurance/
New Jersey	http://www.state.nj.us/dobi/index.shtml
New Mexico	http://www.nmprc.state.nm.us/insurance/inshm.htm
New York	http://www.ins.state.ny.us/
North Carolina	http://www.ncdoi.com/
North Dakota	http://www.state.nd.us/ndins/
Ohio	http://www.ohioinsurance.gov/
Oklahoma	http://www.oid.state.ok.us/
Oregon	http://www.cbs.state.or.us/external/ins/index.html
Pennsylvania	http://www.ins.state.pa.us/ins/site/default.asp
Rhode Island	http://www.dbr.state.ri.us/
South Carolina	https://www.doi.sc.gov/
South Dakota	http://www.state.sd.us/drr2/reg/insurance/
Tennessee	http://www.state.tn.us/commerce/insurance/index.html
Texas	http://www.tdi.state.tx.us/
Utah	http://www.insurance.utah.gov/
Vermont	http://www.bishca.state.vt.us/
Virginia	http://www.scc.virginia.gov/division/boi/index.htm
Washington	http://www.insurance.wa.gov/
Washington D.C.	http://disr.dc.gov/disr/site/default.asp
West Virginia	http://www.wvinsurance.gov/
Wisconsin	http://oci.wi.gov/oci_home.htm
Wyoming	http://insurance.state.wy.us/

AUTO INSURANCE

Getting several quotes on insurance for a motor vehicle may save you hundreds of dollars a year. Take advantage of discounts. Some companies offer discounts to motorists who drive less than a certain amount of miles per year, are a student with good grades, have taken a safe-driving course, or are over 50 years old. You might also be able to get discounts if you insure more than one vehicle, if you insure your vehicle and your home with the same company, if you have had no moving vehicle violations or accidents in three years, have anti-theft devices or have safety features such as air bags. This could amount to as much as 20% with most companies.

There are different levels of coverage available. Contact your trusted insurance agent to see what limits are required based on net worth or assets. Full coverage, liability and uninsured motorist are a few common features.

Liability

Most states require a minimum of coverage to protect the rights of others in the event you are at fault in an accident. Specific information for each state is listed.

The limits stated on a liability policy will be stated in three numbers. The first two numbers are for bodily injury only. If the lowest amount required by law is 50/100 thousand. The first number of 50,000 is the maximum coverage for bodily injury for one person injured in an accident (per thousand). The 100,000 thousand is the maximum number that will be paid for the entire bodily injury for one accident (per thousand). The third number minimum amount is 10K (\$10,000). This number represents the maximum coverage for property damage that will be paid to the injured parties for one accident (per thousand).

Full Coverage

Full coverage is broken down into two areas. Most consumers are required to cover full coverage auto insurance when a third party has invested interest in the vehicle. Collision, the first area, covers your car in the event you have an accident which is your fault. Collision usually comes with deductibles of \$250-thousands of dollars. Comprehensive, the second area, is fire, theft, windstorm, hail, glass or collision with wild animals. This usually comes with coverage deductibles that range from Zero to thousands of dollars. Both Comprehensive and Collision coverages are only applicable to the automobile owner.

Uninsured/Underinsured Motorist

This coverage comes in two part limits and is only for your benefit in the event you are involved in an accident with an uninsured or underinsured motorist. This coverage will then assume the guilty parties' liabilities for your injuries. The minimum amount required by law is 50/100 thousand. The first number of 50,000 is the maximum amount the company will pay for a single individual that is insured. The 100,000 is the maximum number that will be paid for the entire bodily injury per case.

The coverages that are optional include towing, car rental, tapes and electronics not standard to a vehicle. Check with your agent to see if there are any additional coverages specific to that company.

Summary

There are optional coverages that are available with some companies that exclude additional charges for at-fault accidents. Some companies even offer a new car replacement in the event you would have a total loss in the first 3 years.

Applicants for automobile (and homeowners) insurance are judged by many different criteria. A few examples are:

- Homeownership
- Prior insurance with a standard company
- Credit scores
- Paying payments monthly or semi-annual
- Driving record
- Age
- Marital status

Auto Insurance Legal Limits

State	Liability required	Liability minimums	No-fault state	Uninsured motorist coverage required
Alabama	Yes	20/40/10	No	Yes
Alaska	Yes	50/100/25	No	Yes
Arizona	Yes	15/30/10	No	No
Arkansas	Yes	25/50/25	No	Yes
California	Yes	15/30/5	No	Yes
Colorado	Yes	25/50/15	No	Yes
Connecticut	Yes	20/40/10	No	Yes
Delaware	Yes	15/30/10	No	Yes
Florida	Yes	10/20/10	Yes	Yes
Georgia	Yes	25/50/25	No	Yes
Hawaii	Yes	20/40/10	Yes	Yes
Idaho	Yes	25/50/15	No	No
Illinois	Yes	20/40/15	No	Yes
Indiana	Yes	25/50/10	No	Yes
Iowa	Yes	20/40/15	No	Yes
Kansas	Yes	25/50/10	Yes	Yes
Kentucky	Yes	25/50/10	Yes	Yes
Louisiana	Yes	10/20/10	No	Yes
Maine	Yes	50/100/25	No	Yes
Maryland	Yes	20/40/15	No	Yes
Massachusetts	Yes	20/40/5	Yes	Yes
Michigan	Yes	20/40/10	Yes	No
Minnesota	Yes	30/60/10	Yes	Yes
Mississippi	Yes	10/20/05	No	Yes
Missouri	Yes	25/50/10	No	Yes

Montana	Yes	25/50/10	No	Yes
Nebraska	Yes	25/50/25	No	No
Nevada	Yes	15/30/10	No	Yes
New Hampshire	No	25/50/25	No	Yes
New Jersey	Yes	15/30/5	Yes	Yes
New Mexico	Yes	25/50/10	No	Yes
New York	Yes	25/50/10	Yes	Yes
North Carolina	Yes	30/60/25	No	Yes
North Dakota	Yes	25/50/25	Yes	Yes
Ohio	Yes	12.5/25/7.5	No	Yes
Oklahoma	Yes	10/20/10	No	Yes
Oregon	Yes	25/50/10	No	Yes
Pennsylvania	Yes	15/30/5	Yes	Yes
Rhode Island	Yes	25/50/25	No	Yes
South Carolina	No	15/30/10	No	Yes
South Dakota	Yes	25/50/25	No	Yes
Tennessee	Yes	25/50/10	No	Yes
Texas	Yes	20/40/15	No	Yes
Utah	Yes	25/50/15	Yes	Yes
Vermont	Yes	25/50/10	No	Yes
Virginia	No	25/50/20	No	Yes
Washington	Yes	25/50/10	No	Yes
Washington D.C.	Yes	25/50/10	Yes	Yes
West Virginia	Yes	20/40/10	No	Yes
Wisconsin	No	25/50/10	No	Yes
Wyoming	Yes	25/50/20	No	Yes

HOMEOWNERS INSURANCE

You may be able to save hundreds of dollars a year on homeowners insurance by shopping around for insurance. 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 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.
- **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.
- **Always insure your home for replacement cost.** If you have a roof that is 10 years old (and the normal life span is 20 years) and you do not have replacement cost rider, when the insurance company evaluates the claim then the normal usage will be depreciated.

Don't wait until you have a loss to find out if you have the right type and amount of insurance! Follow these steps to protect yourself from underinsurance.

- 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. Call 1-888-CALLFLOOD or visit www.floodalert.fema.gov.

RENTERS INSURANCE

If you are a renter, DO NOT assume your landlord carries insurance on your personal belongings. Purchase a special policy for renters. Your landlord's insurance does NOT cover your personal property in the event of a loss. Renter's insurance is available to cover items like clothes, TV, stereos and furniture. This type of insurance also covers you in the event of fire, flooding, theft and also provides liability coverage for people in rental housing if somebody is injured. Renter's insurance policies may differ according to the insurance company from which you get quoted, as well as the laws in your state. Contact your trusted insurance agent to see what type of policy best meets your needs.

HEALTH INSURANCE

Most consumers have health care coverage from an employer. Others have medical care paid through a government program such as Medicare, Medicaid, or the Veterans Administration (VA). For information on Medicaid, look in your phone book under Medicaid, Social Services, Medical Assistance, Human Services, or Community Service. Information about Medicare is available by calling 1-800-MEDICARE. Information concerning VA medical care is available from your nearest VA facility.

If you have lost your group coverage from an employer as the result of unemployment, a 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.

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 for more information. Information on HMO and PPOs, and Long-Term Care is listed.

HMOs and PPOs

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 health care providers.
- **Health maintenance organizations (HMOs)** offer lower co-payments and cover the costs of more preventative care BUT your choice of health care providers is limited.
- **Preferred provider organization (PPOs)** offer lower co-payments like HMOs. Their advantage over HMOs is that they 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.

The National Committee for Quality Assurance (NCQA) 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). Medicare beneficiaries can compare HMO programs at www.medicare.gov and www.medicarenewswatch.com.

When choosing among different health care plans, you'll need to read the fine print and ask lots of questions.

- **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 may 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.

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 two and one-half 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.

LIFE INSURANCE

Your need for life insurance will differ with the 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 only – they 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 – a 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 long-term savings and investment products with life insurance. Canceling these policies after only a few years can more than double your life insurance costs.

DISABILITY INSURANCE

Disability can be more financially disastrous than death. If you are disabled, you lose your earning power. You still have living expenses and often huge expenses for medical care as well. 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 until 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.hiaa.org.

INSURANCE FRAUD

While you are searching for insurance, be aware of potential scams. Insurance fraud doesn't happen to everyone, but it is frequent enough that you should be familiar with the signs of fraud and how to avoid it. To avoid insurance fraud:

- 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 health care 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. 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

FEDERAL LAWS AND CONSUMER RIGHTS

Consumers' financial rights are protected by federal and state laws and regulations covering many services offered by financial institutions. This section will assist organizations which often receive complaints about banks, savings and loan associations, and credit unions in referring complaints to the proper regulatory agency.

Adjustable-Rate Mortgage Loans

Adjustable-rate mortgage loans are covered by regulations that require, at a minimum, disclosure of the circumstances under which the rate may increase any limitations on the increase, the effects of an increase, and an example of the payment terms that would result from an increase.

Check Clearing for the 21st Century Act

The Check Clearing for the 21st Century Act ([Check 21 Act](#)) is a federal law that is designed to enable banks to handle more checks electronically, which should make check processing faster and more efficient.

- 1. It's more important than ever to avoid bouncing checks.** Checks will be processed electronically... and faster. That means you need to have enough money in your account when you write a check or run the risk of having checks bounce.
- 2. Expect to get substitute checks from your bank as proof of payment instead of original cancelled checks.** Banks have been providing images of checks for decades to millions of customers who do not receive original checks. These images often are accepted as proof of payment by the IRS, courts and other parties provided they meet certain requirements.
- 3. Protect against check fraud, which is getting increasingly sophisticated.** To learn about how to defend against check fraud and other financial scams, see the Spring 2003 FDIC Consumer News special report on fraud at www.fdic.gov/consumers/consumer/news/cnspr03/index.html.
- 4. Periodically ask yourself, and your bank, if you're getting the best deal.** Your bank probably has several types of checking accounts with different features, fees, yields, minimum amounts to open an account, and other characteristics tailored to certain kinds of customers. And different banks offer different checking products. Checking accounts from the bank down the street or even on the Internet may be more to your liking.

Community Reinvestment Act

The Community Reinvestment Act requires federal agencies to encourage depository financial institutions to help meet the credit needs of their communities, including low- and moderate-income neighborhoods. The regulatory agencies assess the institutions' records of meeting those credit needs by preparing a written evaluation of the institutions and assigning a rating with facts supporting the conclusions. Such ratings shall be disclosed to the public for examinations beginning July 1, 1990. The Act also requires regulatory agencies to consider an institution's record of helping to meet community credit needs when evaluating certain corporate

applications, such as permission to establish a branch, to relocate a branch or home office, or to merge.

Consumer Leasing Act

The Consumer Leasing Act requires disclosure of information that helps consumers compare the cost and terms of various leases and the cost and terms of buying on credit versus cash. The Act does not apply to real estate leases or to leases of four months or less.

Credit Practices Rule

The Credit Practices Rule prohibits lenders from using certain remedies, such as confessions of judgment; wage assignments; and nonpossessory, nonpurchase money, security interests in household goods. The rule also prohibits lenders from misrepresenting a cosigner's liability and requires that lenders provide cosigners with a notice explaining their credit obligation as a cosigner. It also prohibits the pyramiding of late charges.

Electronic Fund Transfer Act

The Electronic Fund Transfer Act provides consumer protection for all transactions using a debit card or electronic means to debit or credit an account. It also limits a consumer's liability for unauthorized electronic fund transfers.

Equal Credit Opportunity Act

The Equal Credit Opportunity Act prohibits discrimination against an applicant for credit because of age, sex, marital status, religion, race, color, national origin, or receipt of public assistance. It also prohibits discrimination because of a good faith exercise of any rights under the federal consumer credit laws. If a consumer has been denied credit, the law requires notification of the denial in writing. The consumer may request, within 60 days, that the reason for denial be provided in writing.

To access the Equal Credit Opportunity Act in its entirety, go to:
<http://uscode.house.gov/DOWNLOAD/15C41.DOC>

Expedited Funds Availability Act

This Act requires all banks, savings and loan associations, savings banks, and credit unions to make funds deposited into checking, share draft and NOW accounts available according to specified time schedules and to disclose their funds availability policies to their customers. The law does not require an institution to delay the customer's use of deposited funds but instead limits how long any delay may last. The regulation also establishes rules designed to speed the return of unpaid checks.

Fair Credit and Charge Card Disclosure Act

The Fair Credit and Charge Card Disclosure Act requires new disclosures on credit and charge cards, whether issued by financial institutions, retail stores or private companies. Information

such as APRs, annual fees and grace periods must be provided in tabular form along with applications and preapproved solicitations for cards. The regulations also require card issuers that impose an annual fee to provide disclosures before annual renewal. Card issuers that offer credit insurance must inform customers of any increase in rate or substantial decrease in coverage should the issuer decide to change insurance providers.

Fair Credit Billing Act

The Fair Credit Billing Act establishes procedures for the prompt correction of errors on open-end credit accounts. It also protects a consumer's credit rating while the consumer is settling a dispute.

The Fair and Accurate Credit Transactions Act (FACTA)

In December of 2003, President Bush signed the Fair and Accurate Credit Transactions Act, which has become known as either the FACT Act, or FACTA. The purpose of the act was to update and amend the Fair Credit Reporting Act (FCRA), although the official-sounding purpose is “to amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes.”

For more information about FACTA or to request your free credit report, go to www.annualcreditreport.com.

Fair Credit Reporting Act

The Fair Credit Reporting Act establishes procedures for correcting mistakes on a person's credit record and requires that a consumer's record only be provided for legitimate business needs. It also requires that the record be kept confidential. A credit record may be retained seven years for judgments, liens, suits, and other adverse information except for bankruptcies, which may be retained ten years. If a consumer has been denied credit, a cost-free credit report may be requested within 30 days of denial.

The FCRA can be referenced in its entirety at <http://www.ftc.gov>, the Federal Trade Commission's web site.

Fair Debt Collection Practices Act

The Fair Debt Collection Practices Act is designed to eliminate abusive, deceptive and unfair debt collection practices. It applies to third party debt collectors or those who use a name other than their own in collecting consumer debts. Very few commercial banks, savings banks, savings and loan associations, or credit unions are covered by this Act, since they usually collect only their own debts. Complaints concerning debt collection practices should generally be filed with the Federal Trade Commission.

Fair Housing Act

The Fair Housing Act prohibits discrimination on the basis of race, color, sex, religion, handicap, familial status or national origin in the financing, sale or rental of housing. The Department of Housing and Urban Development (HUD) is the agency primarily assigned to implement and administer the Act. To access the Fair Housing Act in its entirety, go to:

http://www.fairhousinglaw.org/fair_housing_laws/fh_act.html.

The Federal Trade Commission Act

The Federal Trade Commission Act requires federal financial regulatory agencies to maintain a consumer affairs division to assist in resolving consumer complaints against institutions they supervise. This assistance is given to help get necessary information to consumers about problems they have in order to address complaints concerning acts or practices which may be unfair or deceptive.

The Gramm-Leach-Bliley Act

Subtitle A of Title V of the Gramm-Leach-Bliley Act ("GLB Act") has privacy provisions relating to consumers' financial information. Under these provisions, financial institutions have restrictions on when they may disclose a consumer's personal financial information to nonaffiliated third parties. Financial institutions are required to provide notices to their customers about their information-collection and information-sharing practices.

Consumers may decide to "opt out" if they do not want their information shared with nonaffiliated third parties. The GLB Act provides specific exceptions under which a financial institution may share customer information with a third party and the consumer may not opt out. All financial institutions are required to provide consumers with a notice and opt-out opportunity before they may disclose information to nonaffiliated third parties outside of what is permitted under the exceptions.

Additional information on the Gramm-Leach-Bliley Act can be found on the Federal Trade Commission web page at www.ftc.gov.

Home Equity Loan Consumer Protection Act

The Home Equity Loan Consumer Protection Act requires lenders to disclose terms, rates and conditions (APRs, miscellaneous charges, payment terms, and information about variable rate features) for home equity lines of credit with the applications and before the first transaction under the home equity plan. If the disclosed terms change, the consumer can refuse to open the plan and is entitled to a refund of fees paid in connection with the application. The Act also limits the circumstances under which creditors may terminate or change the terms of a home equity plan after it is opened.

Home Mortgage Disclosure Act Aggregation Project

Using loan data collected from each covered institution, the Federal Financial Institutions Examination Council (FFIEC) prepares disclosure statements and various reports for individual institutions in each MSA, showing lending patterns by location, age of housing stock, income

level, sex and racial characteristics. The disclosure statements and reports are made available to the public at central depositories located in each MSA.

Requests for the list of central depositories should be forwarded to the FFIEC.

Federal Financial Institutions Examination Council
2100 Pennsylvania Ave, NW
Suite 200
Washington, DC 20037

Home Mortgage Disclosure Act (HMDA)

The Home Mortgage Disclosure Act (HMDA) requires certain lending institutions to report annually on their originations and purchases of home purchase and home improvement loans as well as applications for such loans. The type of loan, location of the property, race or national origin, sex and income of the applicant or borrower is reported. Institutions are required to make information regarding their lending available to the public and must post a notice of availability in their public lobby. Disclosure statements are also available at central depositories in metropolitan areas. This information can help the public determine how well institutions are serving the housing credit needs of their neighborhoods and communities.

National Flood Insurance Act

National Flood Insurance is available to any property holder whose local community participates in the national program by adopting and enforcing flood plain management. Federally regulated lenders are required to compel borrowers to purchase flood insurance in certain designated areas. Lenders also must disclose to borrowers if their structure is located in a flood hazard area.

Real Estate Settlement Procedures Act

The Real Estate Settlement Procedures Act (RESPA) requires that a consumer be given advance information about the services and costs involved in the closing of a residential mortgage. It also limits the amount that can be collected for mortgage escrow. In the mid-70s, Congress saw a need to draw RESPA in response to some “abusive practices that [had] developed in some areas of the country.” The idea behind RESPA was to combat these “abusive practices” by providing consumers with more accurate and timely information about the settlement process for residential mortgage loans.

RESPA protects borrowers by educating them about all costs that will be associated with the loan transaction, making them more astute when shopping for settlement services.

RESPA can be accessed in its entirety at: http://www.hud.gov/offices/hsg/sfh/res/respa_st.cfm

Rights to Financial Privacy Act

The Right to Financial Privacy Act provides that customers of financial institutions have a right to expect that their financial activities will have a reasonable amount of privacy from federal government scrutiny. The Act establishes specific procedures and exemptions concerning the

release of the financial records of customers and imposes limitations on and requirements of financial institutions prior to the release of such information to the federal government.

Savings and Time Deposits

Savings and time deposits are covered by regulations that prohibit inaccurate or misleading advertising.

Truth in Lending Act

The Truth in Lending Act requires disclosure of the "finance charge" and the "annual percentage rate"--and certain other costs and terms of credit--so that a consumer can compare the prices of credit from different sources. It also limits liability on lost or stolen credit cards.

The Truth in Lending Act can be accessed in its entirety at:

<http://www4.law.cornell.edu/uscode/15/1608.html>

All of these laws were created to help the consumer. These laws produced many benefits for society as a whole. It is now easier for law enforcement to track down criminals, for banks to prevent fraud, and for consumers to learn about new products and services, allowing them to make better-informed purchasing decisions.

CONSUMER INFORMATION

Where do you go if you need help?

The government and private sector have many resources you can go to receive help if you have a complaint or question. The trouble with these resources is that most consumers are not sure which department can best help them. We have created a list for you based on their areas of expertise. Should have any questions or concerns, call the appropriate agency. Their information can be your best resource!

RESOURCE LIST

Federal Regulatory Agencies

If your complaint or question concerns a state-chartered bank that is not a member of the Federal Reserve System, you should contact the FDIC:

Federal Deposit Insurance Corporation
Division of Supervision and Consumer Protection
550 17th Street, NW
Washington, DC 20429
1-877-ASK-FDIC (1-877-275-3342)
1-800-925-4618 (TDD)
For local calls 202-736-0000
Email: consumer@fdic.gov
Internet: www.fdic.gov

If your complaint or question concerns state banks that are members of the Federal Reserve System, contact the Federal Reserve Board:

Federal Reserve Board
Division of Consumer and Community Affairs-
MS 803
20 th and C Streets, NW
Washington, DC 20551
202-452-3000
Internet: www.bog.frb.fed.us

If your questions or complaints concern a nationally-chartered bank (National or N.A. will be part of the name), you need the Comptroller of the Currency:

Office of the Comptroller of the Currency
1301 McKinney Street
Suite 3710
Houston, TX 77010
1-800-613-6743
E-mail: Customer.Assistance@occ.treas.gov
Internet: www.occ.treas.gov

If your complaint or question concerns a federal savings and loan (S&L) or federally-chartered savings banks (FSBs)...

Office of Thrift Supervision

Office of Consumer Programs

1700 G Street, NW

Washington, DC 20552

1-800-842-6929

E-mail: consumer.complaint@ots.treas.gov

Internet: www.ots.treas.gov

If your complaint or question concerns a federally-chartered credit union...

National Credit Union Administration

1775 Duke Street

Alexandria, VA 22314-3428

703-518-6300

Internet: www.ncua.gov

For other questions and complaints, contact the Federal Trade Commission (FTC). The FTC cannot intervene in individual disputes, but the information you provide may indicate a pattern of possible law violations that require action.

Federal Trade Commission

Consumer Response Center

6th and Pennsylvania Avenue, NW

Washington, DC 20580

1-877-FTC-HELP (1-877-382-4357)

Email: consumerline@ftc.gov

Internet: www.ftc.gov

For Fair Housing complaints, contact HUD. This organization provides assistance to individuals who believe they have been victims of housing discrimination.

**Department of Housing and Urban
Development (HUD)**

Office of Fair Housing and Equal Opportunity

451 Seventh Street, SW, Room 5100

Washington, DC 20410

1-800-669-9777

Internet: www.hud.gov

Complaints against all kinds of creditors can be referred to the Civil Rights Division of the Department of Justice. The Division is the program institution within the federal government responsible for enforcing federal statutes prohibiting discrimination on the basis of race, sex, handicap, religion, and national origin.

Department of Justice
Civil Rights Division
950 Pennsylvania Avenue, NW
Washington, DC 20530
202-514-2151
Internet: www.usdoj.gov/crt

Other Resources

These websites provide access to all online U.S. Federal Government resources.

www.firstgov.gov

www.workers.gov

www.consumer.gov

The **Federal Consumer Information Center (FCIC)** (based in Pueblo, Colorado) provides free online consumer information to help the public. The FCIC produces the Consumer Action Handbook, which is designed to help citizens find the best source for assistance with their consumer problems and questions.

www.pueblo.gsa.gov
1-800-688-9889

The **Federal Trade Commission (FTC)** publishes a variety of consumer education brochures.

www.ftc.gov/ftc/consumer.htm
1-877-382-4357

The **Federal Reserve Board** provides an electronic copy of the *Consumer Handbook to Credit Protection Laws*, Board of Governors of the Federal Reserve System, Washington, DC 20551, 13 th Printing, December 1999.

www.federalreserve.gov/pubs/consumerhdbk/frs.htm

Consumer World is a public service, which catalogs over 2000 consumer resources.

www.consumerworld.org

Consumers Union is a nonprofit organization that provides information on a variety of consumer issues.

www.consumersunion.org

The **National Association of Securities Dealers** provides information about registered securities brokers to help you decide whether to do business with them.
1-800-289-9999

www.nasdr.com

Financial Strategies, the leading provider of Initial and Continuing education for the mortgage industry, is available to answer questions regarding consumer finance issues.

Contact:
Financial Strategies
695 Pro-Med Lane
Carmel, IN 46032
866-411-9752
info@bkcourse.com

COMPLAINT FILING PROCESS

If a consumer has a complaint against a financial institution, the first step is to contact an officer of the institution and attempt to resolve the complaint directly. Financial institutions value their customers and most will be helpful. If the consumer is unable to resolve the complaint directly, the financial institution's regulatory agency may be contacted for assistance.

The agency will usually acknowledge receipt of a complaint letter within a few days. If the letter is referred to another agency, the consumer will be advised of this fact. When the appropriate agency investigates the complaint the financial institution may be given a copy of the complaint letter.

The complaint should be submitted in writing and should include the following:

- Complainant's name, address, telephone number;
- The institution's name and address;
- Type of account involved in the complaint--checking, savings, or loan--and account numbers, if applicable;
- Description of the complaint, including specific dates and the institution's actions (copies of pertinent information or correspondence are also helpful);
- Date of contact and the names of individuals contacted at the institution with their responses;
- Complainant's signature and the date the complaint is being submitted to the regulatory agency.

The regulatory agencies will be able to help resolve the complaint if the financial institution has violated a banking law or regulation. They may not be able to help where the consumer is not satisfied with an institution's policy or practices, even though no law or regulation was violated. Additionally, the regulatory agencies do not resolve factual or most contractual disputes.

BKCOURSE.COM EVALUATION

We would like your evaluation of the course you have completed. Please take a few moments to complete this evaluation form.

Answer each question and return your completed form to Financial Strategies at the address listed below. Thank you.

Please use the following scale to answer the questions.

- 1- Strongly Disagree
- 2- Disagree
- 3- Neither Agree or Disagree
- 4 -Agree
- 5- Strongly Agree

Name: _____

1. Did the course content meet your expectations?

1 2 3 4 5

2. Do you have a better understanding of personal finances after completing this course?

1 2 3 4 5

3. Was the course material presented in a clear and effective manner?

1 2 3 4 5

4. Would you recommend the course to others?

1 2 3 4 5

5. Was this website easy to use / or this course easy to navigate?

1 2 3 4 5

Additional Comments:

Return completed form to:
Financial Strategies
Attn: BKCourse.com
695 Pro-Med Lane
Carmel, IN 46032