

What Most Consumers Don't

· A credit score mainly represents

the risk of not repaying a loan.

Age and marital status are NOT

credit score. Source: February 24,

Know About Credit Scores:

factors used to calculate a

2011 Consumer Federation of

America (CFA) Vantagescore

Solutions survey

\$\$\$ \$ Financial tips you can use \$\$\$\$\$\$\$\$\$\$

10 Tips for Saving

- Save loose change. Putting aside 50¢a day over the course of a year will allow you to save nearly 40% of a \$500 emergency fund.
- Bring lunch to work. If buying lunch costs \$5, but making lunch at home costs only \$2.50, in a year you may have a \$500 emergency fund.
- Ask your physician to prescribe generic drugs. They can cost several hundred dollars less.
- Keep your car engine tuned and its tires inflated to their proper pressure. Doing both can save you up to \$100 a year in gas.
- Use local newspapers and website to learn about free or low-cost parks, museums, film showings, sports events, and other places you and your family would enjoy.
- Give up premium cable channels or cable all together. It's a lot cheaper to rent one film a week than watch on premium cable channels that may cost more than \$500 a year.
- 7. Borrowing books, movies and magazines from your local library, rather than purchasing them, can save you hundreds of dollars.
- 8. Plan gift-giving well in advance And if these gifts are products that must be purchased, you will have the opportunity to look for sales.
- 9. Socialize at pot-luck meals rather than at restaurants. Restaurants can be very expensive.
- 10. When at a restaurant, order water instead of a drink. You can even order lemons and use sugar packets to make your own lemonade.



K-State Research and Extension Meadowlark District www.meadowlark.ksu.edu Lower Debt - Raise Your Credit Score

Credit scores affect everything from the interest rates you pay when you borrow money to whether you can rent an apartment or get a job! Most Americans do not know what a strong score is and do not understand the financial cost of a poor score.

Your credit score is a number lenders use to help them decide how likely it is that they will give you a loan

or a credit card. This credit score is built on your credit history.

The score is based on several factors, including your total debt, the types of accounts you have, the number of late payments you have made, and the age of your accounts.

facts.

Having a lower credit score means you will end up paying higher interest rates on all your consumer and mortgage loans. For example, on a \$20,000, 60-month auto loan, you can pay up to \$5,000 more in interest with a bad score than a good one.

Improve Your Score and Get Help

There are a few ways to improve your credit score.

- Minimize outstanding debt.
- Pay your bills on time.
- Keep balances low on credit cards and other "revolving credit."
- Apply for and open new credit accounts only as needed.
- Pay off debt rather than moving it around.
- Regularly check your credit reports, which can be obtained for free, to make sure they are error-free. Federal law requires the three main credit bureaus - Experian, Equifax, and TransUnion to make available to consumers, upon request and at no charge, one credit report per year at www.annualcreditreport.com.

In most communities there are agencies that can help you manage your debts. The most helpful and most widely available are non-profit Consumer Credit Counseling Services (CCCS). Counselors can work with you privately to help you develop a budget, figure out your options, and negotiate with creditors to repay your debts. Call 1-800-388-2227 to locate the office nearest you.

ANSWERS.....



About Gift Cards

Are all gift cards alike? If not, what are the major differences? A gift card is a type of prepaid or stored value card that is designed to be purchased by one consumer (purchaser) and

presented as a gift to a second consumer (recipient). The terms and conditions of gift card products can vary.

The two main categories are *retail gift cards* and *bank issued gift cards*.

A **retail gift card** is typically offered by a major retail, entertainment or food-service company to be used at establishments owned and operated by that company.

A bank issued gift card is typically issued by a financial institution, and carries the logo of a payment card network such as VISA, MasterCard, or American Express. These cards can be used at establishments and businesses that accept cards that access those networks.

For gift cards sold on or after August 22, 2010, new rules apply. The two most significant changes for gift cards will be:

- the limitations set on most service fees for one year from the last time the card was used and
- the fact that the card will be good for at least five years from the date the card is purchased.

If funds are added to an existing card, the funds must be good for at least five years.

About Safe Deposit Boxes

I am missing items from my safe deposit box. The bank has stated that it is not at fault. What can I do?

Typically, banks use control systems to ensure that only authorized persons have access to safe deposit boxes. The goal is to allow only the safe deposit box renter to have access to and the ability to remove items from the box. A bank may defend itself against a claim of unauthorized access or missing items by showing that its controls were followed. The two main controls are dual control and authorized signature.

Dual control: Two people—usually a bank employee and the renter—are required to open the box. In this way, no one person can ever open the box and remove the contents.

Authorized signature: When the safe deposit account is opened, all persons authorized to access the box sign the signature card. The bank can only allow those individuals to enter the box. From then on, the bank records the signature of any individual allowed to enter the box.

Dual control is recommended—or may be required by law—whenever a safe deposit box is opened without the renter's permission. This could include instances when a safe deposit box is opened due to

- court order,
- pursuant to search warrant,
- rental delinquency on the box, or
- branch closure.

Generally, when a safe deposit box is opened by force, at least two people must be present to inventory the box's contents.



About mutilated damaged currency?

Currency is considered mutilated if less than 50 percent of the note remains. A special examination is required to determine its value. Mutilated currency may be mailed or personally delivered to the Bureau of Engraving and Printing. See their website which provides instructions for redeeming damaged currency. The website is:

http://www.moneyfactory.gov/uscurrency/damagedcurrency.html

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