

EVERY CENT COUNTS

for youth

TIPS FOR TEENS TO
MANAGE & PROTECT
THEIR MONEY

Banking
&
Budgeting

Credit
Cards

Scholarships
& Student
Lending

Credit
Reports

Identity
Theft

Debt Collection
& Settlement

High-Cost
Loans

Counterfeit
Check
Scams



LISA MADIGAN
ILLINOIS ATTORNEY GENERAL



EVERY CENT COUNTS

As a young person in today's economy, every cent counts. Understanding your rights and options as a consumer is the key to making the most of your dollar and safeguarding your financial future. We created these fact sheets to help you develop that understanding and assist you as you build your own financial future. In these fact sheets you will find information about balancing your finances, establishing and protecting your credit history, staying away from costly payday loans and more.

Not all financial difficulties can be avoided, but many can be overcome. If you're in a financial crisis, your situation does not have to go from bad to worse. The Attorney General's Office is here to help you. For assistance, please contact us at the numbers below. For more information on these and other topics, please visit our Web site.

Consumer Fraud Hotlines

Chicago

1-800-386-5438
TTY: 1-800-964-3013

Springfield

1-800-243-0618
TTY: 1-877-844-5461

Carbondale

1-800-243-0607
TTY: 1-877-675-9339

Homeowner Helpline

1-866-544-7151 (Voice/TTY)

ID Theft Hotline

1-866-999-5630
TTY: 1-877-844-5461
Español: 1-866-310-8398

www.IllinoisAttorneyGeneral.gov



Opening a Bank Account

As you prepare for independence, it is important that you have the resources necessary to achieve success. Whether you want to set aside money for a new video game or are saving for college, opening and using a bank account will allow you to manage your money and build credit while avoiding the high fees of alternative financial services such as check-cashing stores.

There are a variety of accounts that you can open at your local bank. A **savings account** allows you to deposit money and earn interest. A **checking account** allows you to access your money easily but generally does not offer interest. With a checking account, you can receive a debit card and checks to make withdrawals at ATMs or purchases at stores. Both savings and checking accounts can help you learn money management skills and secure your money from loss or theft.

Each financial institution offers different types of accounts and sets the account terms. For instance, banks often require a minimum deposit to open an account and can also set a minimum account balance (i.e., the amount of money that needs to remain in the account). If you do not maintain the required minimum balance, or if you withdraw more money than is in your account, you may be charged a penalty fee. Knowing the account terms at the bank you choose can help you avoid paying unnecessary fees.

Before opening an account, make sure the bank is insured by the Federal Deposit Insurance Company (FDIC); generally, banks display a sign with the FDIC logo but you can also check with the bank staff. In addition, you can visit the FDIC online at www2.fdic.gov/idasp/main_bankfind.asp to see if a bank is insured. FDIC-insured banks insure your money up to \$250,000.

Once you have chosen an FDIC-insured bank that offers the type of account best suited for your needs, you should stop in to speak to a representative to open an account. To do so, you will need to show a government-issued ID at the bank and complete an application. Some banks will accept alternative identification such as the Mexican Matricula Consular. If you are under 18, a parent or guardian may need to sign the banking paperwork or the bank may ask you for additional identification.

Debit Cards vs. Credit Cards

If you get a debit card with your account, remember that it is different from a credit card. To make a purchase with a debit card, you must have the funds, or money, in your account to cover the purchase. The bank deducts the money from your account almost immediately. With a credit card, you can pay for a purchase and pay the bank later, at the end of your billing period. If you do not pay the credit card balance on time or in full, the bank charges interest or late fees.

Online Banking

Online banking is a useful way to check balances and transactions. However, when banking online, beware of scammers seeking to steal personal financial information. To protect yourself and your finances, never give out your bank account number or pass code via e-mail. Scammers may use sophisticated e-mail scams, including warnings about fraudulent transactions, to obtain your account

number or pass code via e-mail. Scammers may also create copycat Web sites that look like the official bank Web site. To avoid fraudulent sites, be sure to enter the Web site address for your bank directly into the browser window.

Always use a secure browser, and do not submit financial information to any Web site that is not secure. Secure sites keep your information safe through encryption technology that scrambles your personal data. Once it is scrambled, the data cannot be revealed to anyone but you and the company to whom you are sending your information. Your browser will let you know if a site is secure: the URL address will change from "http" to "https," and you will see a closed padlock or unbroken key at the bottom right of your browser screen.

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Carbondale

1-800-243-0607

TTY: 1-877-675-933



Sample Budget Worksheet

Setting – and sticking with – a budget is difficult for many people. However, budgeting really is the best way for you to track your monthly expenses and ensure that you are not spending more than you have. These two sample worksheets will help you start monitoring your expenses and saving for the future.

Using the Sample Budget Worksheet, you can list the expenses you have each month and the money you make. Using the reverse side, you can track your money every month to help monitor your spending and see where you can save.

Monthly Expense	Amount per month (\$)
Rent	
Utilities:	
Gas	
Electric	
Landline Phone	
Internet	
Cable TV	
Cell Phone	
Food (including dining out)	
Clothing	
Entertainment	
Car Payment(s)	
Car Insurance	
Gas/Car Repairs	
Credit Card Payments	
Tuition (including school fees)	
Life Insurance	
Health Insurance	
Medical (not covered by insurance)	
Other Expenses	
Monthly Income	Amount per month (\$)
Allowance	
Job 1	
Job 2	
Other	

Month:

Year:

	Budgeted	Actual	Difference
Rent			
Utilities			
Cell Phone			
Food/Eating Out			
Clothing			
Entertainment			
Car Payment(s)			
Car Insurance			
Gas/Car Repairs			
Credit Card Payments			
Tuition/School Fees			
Other Expenses:			
Total:			

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Credit Cardholders' Bill of Rights

The federal Credit Card Act of 2009—also known as the Credit Cardholders' Bill of Rights—provides tough new protections for consumers who've had enough of excessive credit card fees, sky high interest rates, and agreements that credit card companies revise at will. The Act also includes new protections for individuals under 21 years of age.

Highlights of this Important New Law

If you are under the age of 18, a credit card company cannot issue you a credit card, unless you are an emancipated minor or your parent or legal guardian is the primary account holder.

If you are under the age of 21, you must have a parent or guardian co-sign for your credit card, unless you can prove that you are able to repay the debt on your own.

No more interest rate increases on existing balances, unless you have failed to make even a minimum payment for 60 days. This reform also puts an end to the unfair practice of universal default, which is when a credit card company raises the rate on an existing balance after you fail to make a timely payment on an unrelated bill (such as your electric bill). Note: While your credit card company can no longer raise the interest rate on purchases you've already made, they can raise the rates on purchases you make in the future, as explained below.

No interest rate increases during the first year you have the card, unless the increase is due to the expiration of a lower promotional rate. If your card comes with a promotional rate, the lower rate must last at least six months.

Your credit card company must give you a 45-day notice before increasing your interest rate or making any major change to your credit card agreement. This is a big improvement over the 15-day notice that credit card companies had to provide in the past. The 45-day notice must also inform you of your right to cancel your card. If you choose to cancel your card, the company must allow you to pay off the balance over a five-year period.

Interest rate increases must be reviewed and lowered if warranted. Although your card company can still raise your rate on future balances for a number of reasons (because you've made late payments, for example), they can no longer raise your rate and just leave it there. Instead, they must conduct a review every six months and lower the rate if the review shows a change in the reason for the rate hike—such as an improvement in your payment habits.

Billing statements must be sent to you 21 days before the due date, giving you enough time to make your payment and lowering the risk of a late fee and other penalties.

Due date must be the same every month. If your due date falls on a holiday or a weekend, your payment is on time if received the next business day.

Credit card payments are on time if received by 5 p.m. on the due date. Credit card companies can no longer schedule a 10 a.m. due time and then charge you a late fee if your payment arrives in the afternoon mail.

Payments above the minimum must be applied first to the balances with the highest rates. If your card has balances with different rates, your card company must apply anything you pay over the minimum payment to the balance with the highest rate. This lowers the amount of finance charges you pay over the minimum payment to the balance with the highest rate. It also lowers the amount of finance charges you pay overall.

No over-limit fee unless you authorize your card company to approve over-limit transactions. If you do not authorize your card company to approve over-limit transactions, any transaction that would exceed your credit limit will be denied and you will not be charged a fee. If you do authorize over-limit transactions, your card company can charge you only one over-limit fee in any billing cycle.

For more information about credit cards and other kinds of loans, please contact the **Illinois Attorney General's Consumer Fraud Bureau at 1-800-243-0618 (TTY: 1-877-844-5461)** or visit www.IllinoisAttorneyGeneral.gov.



Credit Card Marketing Act of 2009

The Credit Card Marketing Act of 2009 provides important new protections for Illinois college students targeted by credit card companies:

- **Credit card companies are barred from offering gifts to students under the age of 21 in exchange for completing a credit card application.**
- **Schools are prohibited from giving students' personal identifiable information (name, address, etc.) to banks for the purposes of marketing credit cards.**
- **If a school enters into an agreement with a financial institution to market credit cards to their students, the school must provide a financial education program for students.** Please contact your college or university for additional information about any financial education programs they offer.
- **Agreements between colleges and financial institutions must be made available to the public.** If the school, student groups, or alumni groups receive funds or items of value for distributing credit card applications to students, the school must disclose:
 - o The name of the credit card company;
 - o The nature of the relationship;
 - o The amount of funds or items received; and
 - o How those funds were spent during the previous school year.

The school must provide this information:

- o On the school's Web site;
- o In the school's annual report to the Illinois Board of Higher Education;
- o In any notice mailed to students marketing a credit card;
- o As requested under the Freedom of Information Act, if they are a public university.

This law goes into effect January 1, 2010.

If you believe your college or university released personal information to a credit card company or failed to restrict credit card marketing activity on campus, please contact the **Illinois Attorney General's Consumer Fraud Bureau at 1-800-243-0618 (TTY: 1-877-844-5461).**



Six Tips to Avoid Getting Stuck in Deep Credit Card Debt

1) Shop around before signing up for a card. Deceptive terms and conditions abound throughout the industry. Look for:

- An APR of 15% or lower;
- No annual fees;
- Also, read the fine lines on teaser rates—make sure that you don't agree to a low rate that then can rocket above 15-20% after the teaser expires.

2) Use credit cards sparingly. Ideally, if you can't pay off the balance each month, you shouldn't use your cards for day-to-day purchases. Companies try to lure you with "rewards programs" and incentives so you will use your credit card to pay for everything from pizza to rent to gasoline expenses. The debt you'll incur outpaces any additional value of what you gain in rewards. A 1% reward doesn't reduce a 25% APR! So pay for day-to-day and cost-of-living expenses in cash as much as possible. Use the credit card only for the big ticket necessities you need to accomplish your main priorities.

3) Pay off balances in full each month. Companies keep the minimum monthly payment low so that you'll extend your payment over time and rack up additional debt in interest. If you can't pay off the card in full, then make the largest payment possible each month. Try to always pay more than the minimum required.

For example, say you charge \$1,500 worth of clothes and DVDs at age 18. If you pay only the minimum balance each month, you will be more than 26 years old by the time you pay off your credit card balance—and this is assuming you make no other charges on the card and make all of your payments on time. With an APR of 19%, you will have also paid an extra \$889 in interest payments (adapted from the Federal Trade Commission).

4) Make your payments as early as possible every month (at least 7-10 days before it is due) to avoid late charges. Companies routinely charge late fees of \$30 or more. Worse, when you pay late, nearly half of all companies also increase your interest rate to 25-30% APR or more on your total balance!

5) Call your credit card company and ask for a lower rate. It's cheaper for a credit card company to keep a customer than find a new one, so if you think that your interest rate is too high, call the number on your card and ask for a lower one. In a recent study by the US Public Interest Research Group, more than half the consumers who called lowered their rates by a third or more.

6) If you have a problem paying, seek help. Consider cutting up (or locking up) your card and paying it off in a timely manner with a personal loan from a family member. Consider talking to a credit counseling service, but be careful: this once-respectable business now includes numerous fly-by-night operations. Watch out for debt settlement companies that require an upfront payment that goes only to the debt settlement company (not to paying down your debts). To find a legitimate credit counselor in your area, consult the National Foundation for Credit Counseling at www.nfcc.org or 1-800-388-2227. Also, make sure that the company and the counselor are licensed in Illinois. To check whether a credit counselor is licensed, visit the Web site of the Illinois Department of Financial and Professional Regulation at www.idfpr.com/dfi/ccd/licensees/Debt_Management_Licensees.HTM.

Do You Think You Have Been Unfairly Treated?

If you believe you are the victim of unfair interest rate charges, late fees or other penalties, or deceptive marketing, and your credit card company fails to address your concerns, you should file a complaint with the Office of the Illinois Attorney General. Although we do not regulate the credit card industry, we are sometimes able to resolve disputes between credit cardholders and their card companies.

In addition to filing a complaint with our office, you should file a complaint with the federal Office of the Comptroller of the Currency (OCC). The OCC regulates most of the big credit card companies and will either handle your complaint itself or forward your complaint to a different regulator if needed. Here's how to contact the OCC:

The Office of the Comptroller of the Currency

Website: www.occ.treas.gov/customer.htm

Email: Customer.Assistance@occ.treas.gov

Phone: 1-800-613-6743

Address: Customer Assistance Group

1301 McKinney Street, Suite 3710

Houston, TX 77010

Please visit www.IllinoisAttorneyGeneral.gov

Chicago

100 West Randolph Street

Chicago, IL 60601

(312) 814-3000

TTY: (312) 814-3374

Springfield

500 South Second Street

Springfield, IL 62706

(217) 782-1090

TTY: (217) 785-2771

Carbondale

1001 East Main Street

Carbondale, IL 62901

(618) 529-6400/6401

TTY: (618) 529-6403

This fact sheet is adapted from a fact sheet from US PIRG.



Student Lending: Some Facts to Consider

You've worked hard in school and all that work has paid off—you've been admitted to the college of your choice. Now you have a new challenge: how are you going to pay for your education?

Fourteen million student financial aid applications are processed each year. If you or your parents apply for student loans, here are some basics to keep in mind and questions to ask of your school and lender. To apply for student financial assistance, students complete a Free Application for Federal Student Aid (FAFSA). Students use this application to apply for federal student grants, work study aid and loans as well as most state and private aid.

Facts to consider—some basics.

If you have been awarded financial aid at your school, you will receive a financial aid award letter. This letter may contain a range of financial aid options, including grants (which you do not have to pay back), loans (which you do have to pay back) and work-study (employment at the school). Among the loans that may be offered to you are Stafford loans (either subsidized or unsubsidized) and PLUS loans (usually taken out by either parents of undergraduates or by graduate students themselves). These loans are guaranteed by the federal government and are known as Title IV loans. In addition, your award letter, or your school's financial aid office, may suggest that you finance a part of the cost of attendance with alternative loans from private lenders. These loans are neither subsidized nor guaranteed by the federal government.

Under federal law, you have the right to use the lender of your choice.

Many schools have so called "preferred lender" lists. These are lenders that the school has decided to recommend to their students. However, you should be aware that just because a lender is on the "preferred lender" list, that does not mean that the particular lender is the best one for you to use. A student loan is a serious commitment and you should do your own research to find the loan with the best terms for you. Ask your financial aid officer how they chose preferred lenders for the list. Ask questions such as:

- How were the preferred lenders selected?
- What benefits do the preferred lenders offer the students?
- What benefits or payments do lenders offer the school?

Remember, when completing a Master Promissory Note for a student loan, you are entitled to choose your letter. If the Note is pre-printed or has an electronic drop-down menu, you should be able to add a different lender. If you are not permitted to insert your chosen lender, please call the Attorney General's consumer hotline at the telephone numbers below.

The interest rates for Stafford and PLUS loans are set by federal law.

Accordingly, many lenders compete on repayment benefits—on the “back-end” of the loans. For example, one lender will offer to cut your rate 1.5% if you make 24 on-time payments in a row, while another will offer to cut your rate 2% if you make 36 on-time payments in a row. Although this competition is legal, keep in mind that many lenders sell their loans on a secondary market. This means that even if you select Bank A as your lender, Bank A may turn around and sell your loan to Bank B. It is important to make sure that if your loan is sold, the “back-end” benefits will travel with the loan. In some instances, the sale of the loan will terminate the very benefits that caused you to take out that particular loan in the first place! To preserve these benefits, have your lender commit to them in writing. If your lender refuses, call the Attorney General’s consumer hotline.

Keep advertisements/solicitations from your lender and school.

Make sure to keep copies of all the solicitation/advertising materials you receive from your lender or from your school, as well as your loan paperwork. In many cases, the rates that are advertised to you do not appear in any of the actual loan documents that you sign. Therefore, it is important to keep the advertisements where these rates appear so that you will be able to document the promises made to you by your lender when it comes time to start repaying your loan years later.

Please visit

www.IllinoisAttorneyGeneral.gov

Chicago

100 West Randolph Street
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1-800-964-3013

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1-800-844-5461

Carbondale

601 South University Avenue
Carbondale, IL 62901
(618) 529-6400/6401
1-877-675-9339



College Scholarship Scams

Each year, college-bound students must figure out how they will afford to pay tuition and other college costs. Unfortunately, in their search for legitimate funding sources, students often fall prey to scam artists who take advantage of their need. To reduce your risk of getting scammed, familiarize yourself with the following information about recognizing common scams and finding legitimate scholarships.

Common Scam Lines Debunked

It's probably a scam if you are told that:

- You are guaranteed a scholarship. No one can guarantee you a scholarship, and refunds are often difficult or impossible to get.
- You can't get their information anywhere else. Free scholarship information is available through many sources, such as school and local libraries, the Internet, and private companies.
- You have to give them your credit card or bank account number to hold a scholarship for you. If someone tells you they need your credit card or bank account number to "reserve" or "hold" a scholarship for you, don't give it to them. Scam artists could use this information to make unauthorized withdrawals from your account.
- You don't have to do any work. No one can apply for scholarships or grants for you; you must apply for them yourself.
- You have to pay a fee or other charge to get the scholarship. You don't have to pay for grants or scholarships. If you're paying for it, it's not free.
- You've been "selected" to receive a scholarship you never applied for, or are a "finalist" in a contest you never entered. Scholarships and grants are applied for, not randomly given away.

Keep in Mind...

While legitimate companies may charge a fee for services such as comparing a student's profile with a list of scholarship opportunities for which he or she may qualify, they will never guarantee or promise scholarships or grants.

Financial Aid Seminars

Some seminar sales pitches advise you to "act now or risk missing out on this opportunity" in an attempt to rush you into making a quick decision. If the opportunity is legitimate, however, you will have sufficient time to think it through.

- Talk to your high school guidance counselor or financial aid advisor before paying. It is possible that the assistance offered by the service is available for free.
- Ask for the names of at least three local families and talk to them to see if they are satisfied with the company's service. The success stories you hear at seminars may be told by paid spokespersons.
- Be suspicious if seminar representatives are reluctant to answer or give you evasive answers to your questions.
- Find out what services are offered, how much they cost, and what kind of refund policy applies—and get this information in writing.

Reduce Your Risk of Getting Scammed

Before using a scholarship service, do the following to reduce your risk of getting scammed:

- Do a background check on all scholarship services before you use them by calling the Better Business Bureau and asking for a reliability report.
- Get a second opinion—ask your high school guidance counselor, financial aid advisor, or college financial aid administrator if they've had any experience in dealing with the service.
- Check to see if the company is listed or has an 800 number by calling Directory Assistance. If they aren't listed, be suspicious.
- Get all offers in writing, and make sure information about cancellation policies, refund policies, and guarantees are included.

Remember—Most of the “assistance” offered by scholarship service companies is available for free through high school counseling offices, college financial aid offices, and public libraries. There are many options to consider, including the following: federal, state, and local aid programs; financial institutions' loan plans; home equity loans; and scholarships, fellowships, or other programs offered by colleges, community organizations, and businesses.

Better Business Bureau
www.bbb.org

Federal Trade Commission
www.ftc.gov

Office of the Illinois Attorney General
www.IllinoisAttorneyGeneral.gov

Please visit www.IllinoisAttorneyGeneral.gov

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What's on Your Credit Report and Why You Should Read It

If you have ever been issued a credit card, received a personal or home loan, or held a job, chances are someone is keeping a file on you. This file contains information on how you pay your bills, whether or not you've been sued, and if you've filed for bankruptcy. Companies that gather and sell this information are called Consumer Reporting Agencies, or CRAs. The three largest CRAs are Equifax, Experian, and TransUnion.

What's in a Credit Report

Congress passed the Fair Credit Reporting Act, or FCRA, requiring CRAs to provide correct and complete information to businesses to use in evaluating your applications for credit, employment, or insurance. Credit reports are provided only to those with a legitimate business need. CRAs generally report unfavorable information for a period of seven years. Exceptions include bankruptcy information, which can be reported for ten years, and information concerning a lawsuit or judgment against you, which can be reported for seven years or until the statute of limitations runs out, whichever is longer. When applying for a job with a salary of more than \$75,000 or for more than \$150,000 worth of credit or life insurance, there is no time limitation for reporting credit information.

Know What's in Your Credit Report

Upon request, CRAs are required to give you a copy of your report and, in most cases, the sources of that information. You also have the right to be told the name of anyone who received a report on you in the past year. If you filed an application for credit and it was denied based upon information supplied by a CRA, you can request a free report within 60 days of receiving the denial.

Consumers are entitled to one free credit report per year from each CRA.

To request your free annual credit report, visit www.annualcreditreport.com or call 877-322-8228. (But be careful to steer clear of look-alike Web sites that charge for reports.) Your free report will not include your credit score. The law allows CRAs to charge a "reasonable" fee for your credit score.

It is a good idea to become familiar with your own credit report, so that you will recognize errors, inaccuracies, and unauthorized accounts if they occur. This also will help you to determine if you've been a victim of identity theft. To monitor your report throughout the year, you should consider staggering your requests from each CRA four months apart.

Fixing Credit Report Errors

If you find inaccurate or incomplete information in your credit report, notify the CRA immediately. They are required to re-investigate the items in question and to delete inaccurate or unverifiable information. If the new investigation reveals an error, a corrected version must be sent, at your request, to anyone who received your report in the past six months. If the new investigation doesn't resolve your dispute, request that the CRA include your version or a summary of your version of the disputed information in your file and in future reports.

If inaccurate information is the result of identity theft, the CRA must block the reporting of that information after receiving proof of the consumer's identity and a copy of the consumer's police report.

Fixing a Poor Credit History

Unfortunately, there are no quick or easy cures for a poor credit history. Keeping up creditworthy behavior over a period of time is the only thing that will repair your credit report. There is a brisk business among so-called "credit repair" companies that charge from \$50 to more than \$1,000 to "fix" your credit report. Beware of these scams. The only information in your credit report that can be changed is information that is actually wrong. In such cases, you can fix the errors yourself for free.

Credit Counseling

While only time and paying on time can fix a poor credit history, there are some organizations that may be able to help if you find yourself confronted by overwhelming money problems. Many of these problems arise from inflation, overuse of credit, faulty planning or a lack of money management. For some consumers, a non-profit credit counseling corporation may be a good option. These non-profit corporations offer specialized counseling services to over-indebted consumers and handle the consumers' money as their agent. The corporations may charge a nominal fee for services provided. A credit counseling corporation is not a lending institution, charity, government or legal institution. To find a legitimate credit counselor in your area, consult the National Foundation for Credit Counseling at www.nfcc.org or 1-800-388-2227. Also, make sure that the company and its credit counselors are licensed, as required by Illinois law. To check whether a credit counselor is licensed, visit the Web site of the Illinois Department of Financial and Professional Regulation at www.idfpr.com/dfi/ccd/licensees/Debt_Management_Licensees.HTM.

Fraud Alerts

A consumer who can, in good faith, assert a suspicion that he or she has been or is about to become a victim of identity theft may place a free 90-day initial fraud alert on his or her credit file. The consumer must contact only one CRA; following notification, that CRA must contact the other two at no charge. The three CRAs may be contacted at:

Experian

888-397-3742

www.experian.com

Equifax

800-525-6285

www.equifax.com

TransUnion

800-680-7289

www.transunion.com

If you have been the victim of identity theft or believe your personal or financial information may have been compromised, please call the Attorney General's toll-free Illinois Identity Theft Hotline:

Identity Theft Hotline

1-866-999-5630

Línea Gratuita en Español

1-866-310-8398

www.IllinoisAttorneyGeneral.gov



How to Read Your Credit Report

With credit becoming harder to come by, it's more important than ever that you keep a close eye on your credit report. A single piece of inaccurate information could prevent you from qualifying for the best rates on a loan or credit card.

Making sense of your credit report can be a daunting task. This fact sheet will guide you through the main components of your credit report and help you to decipher the confusing codes and terms you will encounter along the way.

Four Major Sections

Your credit report is divided into four sections: identifying information, account history (or credit history), public records, and inquiries.

Section 1: Identifying Information

This section includes information to identify you, including your name, current and previous addresses, your date of birth, telephone numbers, Social Security number, driver's license number, your employer and your spouse's name. There may be some inaccurate information in this section, such as a misspelled name or address. That usually means that the information was reported to the Credit Reporting Agency inaccurately. These errors generally do not need to be corrected.

Section 2: Account History

The account history section (sometimes called the credit history section) of your credit report contains most of the critical information. This section contains a lot of detailed information and you should review it carefully for accuracy.

Each account will contain several pieces of information:

- *Name of the institution* (i.e., the creditor) reporting the information.
- *Account number associated with the account.* The account number may be scrambled or shortened for privacy purposes.
- *Account type.* For example:
 - o Credit card accounts, which are called "Revolving Accounts"; or
 - o Mortgage, auto, or education loans, which are called "Installment Accounts."
- *Responsibility.* This indicates whether you have individual, joint, or authorized user responsibility for the account.
- *Monthly payment.* This is the minimum amount you are required to pay on the account each month.
- *Date opened.* The month and year the account was established.
- *Date reported.* The last date on which the creditor updated the account information with the credit bureau.
- *Balance.* The amount owed on the account at the time the data was reported.
- *Credit limit or loan amount.*
- *High balance or high credit.* The highest amount ever charged on the credit card. For installment loans, high credit is the original loan amount.
- *Past due.* Amount past due at the time the data was reported.

- *Payment status.* This indicates the status of the account: i.e., current, past due, charged-off. Even if your account is current, it might contain information about previous delinquencies.
 - Status may be written in plain English – never pays late, typically pays 30 days late, etc.
 - Status may be reported using payment codes.
- *R1-R9 payment codes.* The range of payment codes for revolving accounts. R1 is an indication of a good payment history and R9 is an indication of a poor payment history.
- *I1-I9 payment codes.* The range of payment codes for installment accounts. I1 is an indication of a good payment history and I9 is an indication of a poor payment history.
- *“Charged-off.”* This means the creditor has acknowledged your debt as a loss in its financial records. However, you are still responsible for paying the debt.
 - If you pay the debt, your credit report will be updated with a status of “Charged-Off Paid” or “Charged-Off Settled.”
 - A status of “Charged-Off” remains on your credit report for 7 years. If you pay the full amount, you may be able to negotiate with the creditor to have it removed sooner.
- *Payment history.* This indicates your monthly payment status since the time your account was established.
- *Collection accounts.* Collection accounts may appear as part of the account history or in a separate section. Where they appear depends on the company providing your credit report.
 - If you do not recognize the name of the institution reporting the information, it could mean that you have an outstanding debt and the original creditor sold that debt to a debt collector.

***Please note: If there are accounts on your credit report that you do not recognize and have no record of ever opening, you may be the victim of identity theft.

Section 3: Public Records

The next section is the public records section. This section lists financially related data appearing in public records, such as bankruptcies, judgments, and tax liens. It does not list arrests or criminal convictions.

Section 4: Inquiries

The final section is the inquiries section, which is a list of everyone who has asked to see your credit report.

Inquiries are divided into two types. **Hard inquiries** are ones that you initiate by filling out a credit application or applying for a loan. These types of inquiries are included in the formula used to calculate credit scores; therefore, too many hard inquiries can result in a lowering of your score. Multiple inquiries in any 14-day period will count as just one inquiry, which allows you to shop around for a good mortgage or automobile loan rate without negatively affecting your credit score.

Soft inquiries are requests that you make to the credit bureaus for copies of your credit report or score, use of credit information by existing lenders for account review purposes, use of credit information by lenders for “pre-approved” credit offers, inquiries used in making employment decisions, and inquiries for tenant screening (done by a landlord when you apply for housing). These inquiries are shown only on the credit report that you request, and will not be seen by potential creditors.

www.IllinoisAttorneyGeneral.gov



Social Security Numbers

Your Social Security Number (SSN) is used as your identification number in many places, including computer files, giving access to information you may want kept private and allowing an easy way of linking databases. Consumers are constantly being asked to provide their SSNs when cashing checks, opening new accounts, and for other purposes. Some requests for personal information are valid, while others do not need to be honored. It is wise to limit access to your Social Security number whenever possible.

Some requests for your SSN may be valid. For example:

- Your SSN card should be shown to your employer when you begin working in order to ensure that your employment records are accurate.
- Some government agencies including, but not limited to, tax authorities, welfare offices, and state Departments of Motor Vehicles can require your SSN.
 - For example, the Illinois Workers Compensation Commission uses your Social Security number to process your worker's compensation claim.
- Generally, your SSN is required on records of transactions in which the Internal Revenue Service is interested. This includes most banking, stock market, property, and other financial transactions.
- State professional and occupational licensing agencies can require your Social Security number on licensing applications.
- A state child support collection agency collects Social Security numbers for purposes of identifying all necessary parties in child support collection actions. Social Security numbers contained in actual child support cases handled by the state child support agency are verified for accuracy through the U.S. Social Security Administration. The case information is also shared with the Federal Parent Locator Service (FPLS) and the Federal Case Registry, where it is accessible for interstate attempts to locate child support obligors. All of this information sharing is mandated by federal law.
- Health insurance companies must assign unique ID numbers that appear on your identity cards or on your mailings, but Medicare still displays an individual's Social Security number on the Medicare card. Medicare recipients should take precautions to protect their Medicare cards.
- As a condition for enrollment, most postsecondary schools will require you to provide your Social Security number. Under the Family Educational Rights and Privacy Act, schools are not prohibited from requiring your Social Security number, but must take adequate measures to prevent unauthorized disclosure or misuse of that number.

Other requests for your SSN may not be valid. Be vigilant and never be afraid to ask why a company is requesting that information.

Don't make it easy for someone to steal your number

Identity thieves get your personal information by:

- Stealing wallets, purses and your mail (bank and credit card statements, pre-approved credit offers, telephone calling cards and tax information);
- Stealing personal information you provide to an unsecured site on the Internet, from business or personnel records at work and personal information in your home;
- Sorting through trash for personal data;

- Posing as someone who legitimately needs information about you, such as employers or landlords;
- Buying personal information from “inside” sources. For example, an identity thief may pay a store employee for information about you that appears on an application for goods, services or credit; or
- Buying Social Security numbers on the Internet. Be aware that there are Internet Web sites that allow individuals to access Social Security numbers for a price.

Here are some strategies to protect your Social Security number:

1. Adopt an active policy of not giving out your SSN unless you are convinced it is required or is to your benefit. Make people show you why it is needed. If someone asks for your SSN, ask:
 - Why do you need my SSN?
 - How will my SSN be used?
 - How do you protect my SSN from being stolen?
 - What will happen if I don't give you my SSN?
2. **Never** print your Social Security number on your checks, business cards, address labels or other identifying information.
3. Do not carry your SSN card, or other cards containing your SSN, in your wallet. Your wallet could be lost or stolen. Put your SSN card in a safe place.
4. Pay attention to your Social Security Personal Earnings and Benefit Estimate Statement. The Social Security Administration (SSA) mails it each year about three months before your birthday. Be certain the information in the file is correct. You can also contact the SSA at (800) 772-1213 to learn how to obtain this free report. If incorrect information is recorded, contact the SSA immediately. Someone may be fraudulently using your SSN for employment purposes. The Social Security Administration's fraud department can be reached at (800) 269-0271 or online at www.ssa.gov.
5. Order a copy of your credit report each year. If you are a victim of identity theft, the credit report will contain evidence of credit or banking fraud committed using your name and SSN. It will also show other SSNs associated with your name.
6. If a private business requests your Social Security number leave the space for the SSN on the form blank or write “refused” or N/A in that space. You can also ask why your Social Security number is requested and suggest alternatives like your driver's license number.

How Illinois Law Protects Your Social Security Number

- Your SSN may not be printed on an insurance card, publicly posted or publicly displayed, required for you to access products or services, or printed on any materials that are mailed to you, unless state or federal law requires your SSN to be on the document to be mailed.
- You are not required to transmit your SSN over the Internet, unless the connection is secure or your SSN will be encrypted. You are also not required to use your SSN to access an Internet Web site, unless a password or unique personal identification numbers or other authentication device is also required to access the Internet Web site.
- The Department of Revenue is now required to directly notify you, as a taxpayer, if they suspect another person has used your SSN to register a business or pay taxes and fees.
- The Department of Natural Resources is phasing in new Conservation ID (CID) numbers to replace SSN on hunting and fishing licenses. Your SSN will be on file with DNR but will not appear on the actual license.
- Public universities and community colleges in Illinois are prohibited from printing an individual's SSN on any card or other document required for the individual to access products or services provided by the institution or community college.

The Office of Illinois Attorney General Lisa Madigan has established an Identity Theft Hotline to provide Illinoisans who have been victimized by identity theft with one-on-one assistance to take the steps necessary to report the crime to local law enforcement and financial institutions, repair their credit, and prevent future problems. If you believe your SSN has been compromised please contact the ID Theft Hotline at 1-866-999-5630 for assistance.

Consumer Fraud Hotlines

Chicago

1-800-386-5438
TTY: 1-800-964-3013

Springfield

1-800-243-0618
TTY: 1-877-844-5461

Carbondale

1-800-243-0607
TTY: 1-877-675-9339



Identity Theft: Take Immediate Action

Victims of identity theft lose more than money. They lose peace of mind. Victims often spend dozens of hours working with creditors, credit reporting agencies, financial institutions, and law enforcement to reclaim their good names and credit records. The recovery process can take months, even years.

A fast response to identity theft is the best way to minimize the damage to your name and financial health. If you are a victim of identity theft, the Office of the Illinois Attorney General recommends that you immediately take the following first steps:

Report fraud to creditors. Check with your credit card companies and banks to see if any new accounts have been opened in your name or if any unauthorized charges have been made. Work with these companies to stop further damage as quickly as possible.

Once you have notified banks and credit card companies of the fraud, you should also alert your other creditors, including phone companies, utility providers, Internet service providers, and other service providers.

Place a fraud alert on your credit report. Contact the toll-free number of any of the three credit reporting agencies listed below to place a fraud alert on your credit report. A fraud alert notifies potential creditors to contact you and verify your identity before approving a credit request in your name. You only need to contact one of the three companies, because that company is required to contact the other two.

- Equifax: 1-800-525-6285; www.equifax.com; P.O. Box 740241, Atlanta, GA 30374-0241
- Experian: 1-888-EXPERIAN (397-3742); www.experian.com; P.O. Box 9532, Allen, TX 75013
- TransUnion: 1-800-680-7289; www.transunion.com; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790

Once you place a fraud alert on your file, you are entitled to free copies of your credit reports. You will receive a letter telling you how to order your free copies. When you receive your credit reports, review them carefully and look for any suspicious activity. If you find unauthorized accounts, report the fraud to those creditors and dispute the accounts with the credit reporting agency.

File a police report. Illinois law requires police departments to accept and provide reports of identity theft. After completing the police report, be sure to get a copy of it or, at the very least, the number of the report. It can help you deal with creditors who need proof of the crime.

Decide whether you want to place a security freeze on your credit report. A security freeze allows you to prohibit your credit report from being released to another person without your prior express authorization, which can help to prevent identity theft when personal information has been compromised.

The freeze is available to all Illinois consumers and is free for identity theft victims and senior citizens. Once the freeze is in place, you will be unable to obtain credit without first providing the credit reporting agency with your unique Personal Identification Number. You can place a security freeze by sending a request by certified mail to each of the three credit reporting agencies. The credit reporting agencies also accept online requests from most people. Identity theft victims must submit freeze requests in writing and should include a copy of the police report.

We Can Help

If you are a victim of identity theft, call the **Illinois Attorney General's Identity Theft Hotline**. You will be assigned a Consumer Advocate to guide you through the recovery process. The hotline is open from 8:30 a.m. to 5:00 p.m., Monday through Friday.

Identity Theft Hotline

1-866-999-5630

TTY: 1-877-844-5461

Línea Gratuita en Español

1-866-310-8398

www.IllinoisAttorneyGeneral.gov



Debt Collection: Know Your Rights

Although dealing with a debt collector is rarely a pleasant experience, there are laws in place to ensure that debt collectors treat you fairly. Three laws in particular—the Federal Fair Debt Collection Practices Act, the Illinois Collection Agency Act, and the Illinois Consumer Fraud and Deceptive Practices Act—establish a code of conduct that debt collectors must follow when doing their jobs. These laws will not permit you to avoid a debt you legitimately owe, but they do set important limits on how far collection agencies can go in their collection efforts.

What Debt Collectors Can and Cannot Do

A debt collector can contact you in person, by mail, telephone, telegram, or e-mail. However, a collector may not contact you at unreasonable times, such as before 8 a.m. or after 9 p.m., or contact you at work if the collector knows that your employer disapproves. If you are getting calls at work, you should inform the debt collector that by continuing to call he or she is putting you at risk of losing your job. A debt collector may contact people other than you or your attorney to find out where you live or work, but may not tell anyone other than you or your attorney that you owe money.

Once a debt collector has notified you by phone, he or she must, within five days, send you a written notice telling you the amount you owe, the name of the creditor to whom you owe money, and what to do if you dispute the debt. A debt collector may **NOT**:

- Harass, oppress or abuse anyone (i.e., use threats, obscene or profane language, etc.);
- Make false statements when collecting a debt (this includes implying that you have committed a crime or saying you will be arrested or criminally prosecuted if the debt isn't paid); or
- Engage in unfair practices such as forcing you to accept collect calls or pay for telegrams or collect interest or fees in excess of the debt, unless authorized by the agreement creating the debt.

You can stop a debt collector from contacting you by writing a letter to the collection agency telling them to stop. Once the agency receives your letter, it may not contact you again except to notify you that some specific action will be taken—such as the filing of a lawsuit against you.

Disputing a Debt

A debt collector may not contact you if, within 30 days after the collector's first contact, you send the collector a letter stating that you do not owe the money. If, however, the collector sends you proof of the debt, such as a copy of the bill, the collector can resume collection activities.

Added Protections for Victims of Identity Theft

Under a recent amendment to the Illinois Collection Agency Act, debt collectors are required to suspend collection activities and investigate when a consumer notifies them that a debt is the result of identity theft. If the investigation confirms that the consumer does not owe the debt, the collector must permanently stop collection activities and notify the credit bureaus to remove from the consumer's credit report any adverse information relating to the debt.

If you feel that a debt collector has treated you unfairly, contact the **Illinois Attorney General's Consumer Fraud Bureau at 1-800-243-0618 (TTY: 1-877-844-5461).**



The Debt Settlement Company Scam

Debt settlement companies advertise that they can settle all of your credit card debt in two to three years for only a fraction of what you owe. Do **not** fall for this come-on. While a new Illinois law provides consumers with protections against debt settlement scams—including a prohibition on upfront payments—there are better solutions to your financial problems than signing a contract with a debt settlement company.

The classic debt settlement scam works like this: Before a single debt is settled, the company requires you to pay a series of **non-refundable** upfront fees, often 15 to 20 percent of your total credit card debt, adding up to thousands of dollars. These fees include monthly payments into an escrow account, supposedly for use in negotiating pay-offs with your credit card companies. In addition, the debt settlement company tells you to stop making your credit card payments based on the false theory that this will make your credit card companies more likely to accept a deal.

Debt settlement companies often do not begin negotiations until you have saved a sufficient amount to pay a settlement, usually 12 to 18 months after entering the program. By this time, it is too late. Many debt settlement customers end up being sued by one or more of their credit card companies, resulting in court judgments, wage garnishments, and even liens on their homes, leaving them in far worse financial shape than they were in when they enrolled in the program.

A law pushed by Attorney General Lisa Madigan clamps down on the debt settlement industry's abusive practices and requires all debt settlers to provide common-sense consumer protections if they want to do business in Illinois. This tough law:

- **Prohibits all upfront and monthly fees, except for a one-time \$50 application fee;**
- **Caps fees at 15 percent of the savings achieved from settling a debt, ensuring that a debt settlement company only gets paid when it does what it promised to do;**
- **Prohibits debt settlement companies from advising consumers to stop paying their creditors; and**
- **Allows consumers to cancel a contract at any time, with a prompt refund of fees.**

If you come across a debt settlement company that fails to offer one or more of these legally required protections, it is a sure sign you are dealing with a scam. **Stay away.** Even if you find a company that appears to comply with the law, you should seriously consider trying one of these alternative sources of help instead:

- Contact your credit card companies directly to see if they offer repayment programs for struggling consumers. Many credit card companies offer these programs.

- Talk to a reputable credit counselor. To find a legitimate credit counselor in your area, consult the National Foundation for Credit Counseling at www.nfcc.org or 1-800-388-2227. Also make sure that the company and its credit counselors are licensed and bonded, as required by Illinois law. To check whether a credit counselor is licensed, visit the Web site of the Illinois Department of Financial and Professional Regulation at <http://www.idfpr.com/df/LicenseeSearch/frmSearchLicensees.asp> and select "Debt Management" in the "License Class" search field.
- Consider consulting with a bankruptcy attorney. Contact your local legal aid office to find out if you qualify for their services at a reduced cost.

Remember—before dealing with any type of credit counseling firm, check their record with the Better Business Bureau. You can also check with the Illinois Attorney General's Consumer Fraud Bureau by calling 1-800-243-0618 (TTY: 1-877-844-5461).



The Truth About Payday Loans

Payday lenders market their products as convenient solutions to temporary cash-flow problems. Don't buy the hype. If you're struggling to make ends meet, chances are you'll be even worse off if you take out a payday loan.

The truth is: Payday loans are an *extremely* expensive form of borrowing money. They often carry triple-digit interest rates and include all kinds of hidden fees. One payday loan can quickly snowball into too much debt for one family to handle. Many payday borrowers come up short on their loan's due date, so they must take out a new loan to pay off the old one. Or sometimes, lenders will offer consumers additional cash if they take out a new loan to pay off the old one. This is called "rolling over" a loan. Each time a loan is rolled over, the lender tacks on additional fees. This creates a cycle of debt from which some families never recover.

Consumer Protections

Under a law that began on March 21, 2011, Illinois consumers now enjoy stronger protections from the payday loan industry's worst practices. The law protects consumers from unlimited roll-overs and requires loans to be based on a borrower's ability to pay. The law also creates a new type of loan—**the small consumer loan**—that is somewhat less expensive than the traditional payday product. Still, even with these new protections in place, consumers must exercise caution when deciding whether to take out a loan to meet their emergency expenses. The cost of short-term borrowing in Illinois remains very high.

Three Types of Loans

Small Consumer Loan: There are three types of payday or payday-like loans sold in Illinois. The least expensive of these is the small consumer loan. Under Illinois law, a lender can charge an Annual Percentage Rate (APR) of no more than 99% on a small consumer loan. This is by no means cheap, but it's considerably less costly than a payday loan. So, be sure to shop around. Ask a lender if they sell **small consumer loans**. Be specific. If they don't sell them, move on to a store that does. Stores that sell payday loans cannot sell small consumer loans. It is against the law.

In addition to having lower interest rates, small consumer loans have longer terms than payday loans—typically lasting about a year or more. Stretching your payments out over time is one way to help keep them manageable. To ensure you stay in your small consumer loan long enough to pay down a significant portion of your balance, the new law prohibits lenders from rolling you over into a new loan in the first 75 days of your loan's term. Additionally, by law, a small consumer loan's monthly payments can be no more than 22.5% of your gross monthly income.

Payday Installment Loan: Like small consumer loans, payday installment loans have longer terms than conventional payday loans, lasting up to six months. However, payday installment loans are more expensive than small consumer loans, with APRs running as high as 400%. This is why you should make every effort to qualify for a small consumer loan—or, preferably, an even less expensive loan—before considering a payday product.

Illinois law *does* provide payday loan consumers with some protections against the cycle of debt. For example, a lender cannot roll over your loan if doing so would keep you in debt for longer than six months. Also, a payday installment loan's monthly payments can be no more than 22.5% of your gross monthly income.

Payday Loan: A payday loan is truly a short-term loan; it has to be paid back in two to four weeks. Like the payday installment loan, a payday loan can carry an APR as high as 400%. The combination of the short term and high rates increases the likelihood that you'll be unable to pay off your payday loan when it comes due.

If this happens to you, please remember that under Illinois law, you are entitled to enter into an interest-free repayment plan with your lender after you've been in debt for more than 35 days. This option applies only to payday loans, not to payday installment loans, and you must request it. Additionally, the law prohibits lenders from issuing a new payday loan if it would result in your being in debt for more than 45 days in a row. Together, these two provisions are designed to give payday borrowers some breathing room to pay off their old payday loan debt without getting buried under additional charges and fees.

Consider Other Options

With their extremely high interest rates and many charges and fees, small consumer loans, payday installment loans, and payday loans can quickly transform a short-term financial crisis into a long-term debt problem. You should exhaust all possible resources—family, church, friends—before you even consider taking out one of these high-cost loans.

For more information about these loans and other types of credit, or to file a complaint against a payday lender, please visit www.IllinoisAttorneyGeneral.gov or contact the Illinois Attorney General's Consumer Fraud Bureau at 1-800-243-0618 (TTY: 1-877-844-5461).

www.IllinoisAttorneyGeneral.gov



Beware of Tax Refund Loans

What Is a Tax Refund Loan?

A tax refund loan is an extremely short-term loan that you apply for through your tax preparer, using your anticipated tax return as security. Tax preparers prefer the term “instant tax refund” to describe these loans, but make no mistake: an “instant tax refund” is a LOAN, with all of the costs and fees associated with borrowing money—and then some. Also, you will NOT get your refund that much faster if you take out one of these expensive loans. They simply aren’t worth the price.

When you take out a tax refund loan, your tax preparer (working in partnership with a bank) lends you the amount of the tax refund that you expect to get back, but charges you a significant amount in interest and fees. Then, when the government sends your actual refund check, it is direct-deposited into the bank that made the loan. Because the loan is paid back when you receive your tax refund, the term of a tax refund loan is short—usually seven to 14 days.

Unlike a traditional loan, the interest rate (the annual percentage rate or APR) for tax refund loans is sky high—in many cases more than 200%. Some lenders will even allow you to borrow more than the expected amount of your refund. In these cases, the high interest rate applies to the entire loan amount, not just the amount of the refund, and can quickly snare you in a debt trap. Consumers who borrow beyond their refund at these high rates are at risk of not being able to pay back the loan.

Tax preparers pack these loans with numerous fees to drain as much revenue as possible from consumers. To obtain a tax refund loan, consumers typically pay a loan fee, an electronic filing fee, a document preparation fee, and a tax preparation fee. After receiving their loan, consumers often must pay an additional fee just to cash their loan check.

Who Takes the Hit?

According to a study by the Consumer Federation of America and the National Consumer Law Center, taxpayers lost nearly \$1 billion of their 2006 tax refunds to loan fees and other charges. Also, many of these loans are sold to low-income families who can least afford to pay a significant portion of their tax refund in loan fees and interest.

Protections for Active Duty Service Members

The Military Lending Act caps the interest rate at 36% for tax refund loans sold to active duty service members. If you are an active duty service member and feel that you’ve been sold a tax refund loan with an interest rate that exceeds this cap, please contact the Attorney General’s Military and Veterans Hotline at 1-800-382-3000 (TTY: 1-800-964-3013).

It’s Your Refund—Here’s How to Keep More of It!

You probably do not need a tax refund loan. If you file your tax return electronically, you can get your refund very quickly—in approximately two to three weeks—without getting a loan. You can find an organization willing to help you prepare and file your taxes for free by calling the Center for Economic Progress at 312-252-0280 or call the toll free statewide number at 1-888-827-8511. For information on the Tax Assistance Program call (312) 409-1555.

For more information about tax refund loans and other types of credit, please visit www.IllinoisAttorneyGeneral.gov or contact the **Illinois Attorney General’s Consumer Fraud Bureau at 1-800-243-0618 (TTY: 1-877-844-5461).**



Counterfeit Check Scams: Throw that Fake Check Away!

Con artists never grow tired of using counterfeit check scams to take your money. Many of the fake checks created today look so real that they even fool bank tellers.

Don't let them fool you! By learning to recognize the signs of a counterfeit check scam, you can avoid becoming another victim of this common rip-off.

How Does the Scam Work?

Although counterfeit check scams come in a variety of forms, they all follow the same blueprint. One of the more common examples is the **foreign lottery scam**. In this scheme, the con artist sends you a letter informing you that you have won the lottery or a sweepstakes in another country. Enclosed with the letter is a legitimate-looking cashier's check—the name of a respected bank appears at the top, and the account and routing numbers may even be real. According to the letter, all you have to do to claim your prize is deposit the check into your bank account and wire the money to an overseas address to pay the taxes and fees on your winnings.

Sounds tempting, doesn't it? But make no mistake about it, this is a scam. That real-looking check is a fake. If you deposit the fake check and wire the money overseas as directed, you will be legally responsible to the bank for the entire amount of the fake check, which could be in the thousands of dollars.

But if the Bank Cashes the Check, it Must be Real, Right?

Wrong! Banks are required by law to make the funds from a check available to you within a short period of time. So, just because you have access to the funds does not mean that the check is real. When the bank finally determines that the check is fake, final responsibility for the loss falls on you. Unfortunately, the chances of tracking down the con artist and holding him accountable are close to zero. When funds are wired overseas, it is nearly impossible to identify or locate the recipient.

Basic Tips to Help You Avoid Falling Victim to a Counterfeit Check Scam:

- Throw away any offer that asks you to pay for a prize or a gift. If something sounds too good to be true, it probably is. You can't win a lottery if you did not buy lottery tickets, and you can't win a sweepstakes that you didn't enter.
- Resist the urge to enter foreign lotteries. It's illegal to play a foreign lottery through the mail or the telephone, and most foreign lottery solicitations are phony.
- Do not deposit a check if you do not know who it came from, and never wire money to strangers.
- Depositing a suspicious check and waiting a while to spend the money will not protect you from being scammed. It may take weeks for the bank to figure out that the check is fake.

If you receive a suspicious check in the mail, you can contact the **Illinois Attorney General's Consumer Fraud Hotline** (1-800-386-5438; TTY: 1-800-964-3013) or **Senior Fraud Helpline** (1-800-243-5377; TTY: 1-800-964-3013). Also, you can give the check, envelope, and any letter to your local post office for further investigation.



Glossary of Helpful Financial Terms

As you begin establishing your financial history and preparing for your future, you may encounter financial terms with which you are unfamiliar. Below are some commonly used terms and their definitions to help you navigate the financial world.

- A -

Annual Percentage Rate (APR) – the rate of interest (such as 8.75%) charged for a loan over a year's time. The APR rate includes interest, transaction fees, and service fees.

Appreciate – to grow in value. Usually a term used in relation to investments that are now worth more than you originally paid for them.

Asset – any item of value that you own, e.g., house, land, gems, stocks, bonds, money in savings, etc.

ATM – these letters stand for Automatic Teller Machine. This is an electronic banking station that enables people to take care of banking business 24 hours a day, 7 days a week.

- B -

Balance – 1) For loans, the balance is the difference between the amount owed and the amount paid. If you pay \$45 on a \$100 debt, your balance is \$55. 2) For checkbooks, balancing means to account for all money that came into and went out of your account, so that at the end of the month you and your bank statement agree. 3) For savings, your balance is what is left in your savings account after you deposit or withdraw money.

Bank Card – see "Debit Card" below.

Bankruptcy – a legal declaration that you are in so much debt that you cannot pay in full all of the people and companies you owe. When you legally declare yourself bankrupt in some states, you must sell off all your possessions and pay off your debts as best you can.

Budget – a plan you create for controlling spending and encouraging saving.

- C -

Certificate of Deposit (CD) – a type of investment that requires you to invest money for a certain length of time and guarantees the same rate of return (interest) for that entire time. CDs usually require a minimum deposit.

Charge – to borrow money (from a store, service provider, or credit card company) to make a purchase. If you do not pay the debt off in full within the card issuer's grace period (usually 25-28 days), you will pay interest on the amount you owe.

Check Register – a small booklet of record sheets that comes with your checkbook and allows you to keep track of all deposits, ATM withdrawals, and checks. If you keep your check register up to date, you will always know how much money you have in your checking account.

Collateral – property used to assure the payment of a loan. In other words, if the borrower does not pay back the loan, the borrower must give up this property or money.

Compound Interest – interest on an investment, like a savings account, that is calculated not only on the money you originally invested, but also on any interest the investment has already earned.

Credit – a loan that enables people to buy something now and pay for it in the future.

Credit Limit – the highest amount you may charge on a credit card. Your limit is set by your card company's opinion of your ability to handle debt.

Credit History – a record of your borrowing and paying habits. Credit reporting companies track your history and supply this information to credit card companies, banks, and other lenders.

Credit Rating or Score – a score or grade that credit reporting companies assign to you based on how you handle your money and pay your bills.

Credit Report - A report containing detailed information about your credit history, including your identifying information, credit accounts and loans, late payments, bankruptcies, and recent inquiries. Your credit report can be obtained by prospective lenders, with your permission, to determine your credit-worthiness.

- D -

Debit Card – also called a bank card, this plastic card looks like a credit card, but it is used to withdraw money from a savings or checking account. When you use a debit card at ATMs or in stores to make purchases, money is immediately withdrawn from your account. If you withdraw more money than you have in the account, you will be charged a very high penalty fee.

Debt – money or goods you owe.

Deposit – to put money into a bank or investment account.

Direct Deposit – when employers electronically deposit paychecks directly into an employee's bank account. The employee then gets a paper copy of the deposit, called an Earnings Statement, as proof of the deposit.

- E -

Earned Income – wages paid in exchange for work.

Earnings Statement – a paper copy of an electronic deposit, which an employer sends an employee as proof to confirm that a paycheck has been electronically deposited into the employee's bank account.

Expenses – things you pay money for, including both needs and wants.

- F -

FICA – a payroll tax. FICA stands for Federal Insurance Contributions Act (FICA) tax. This tax is used to fund Medicare and Social Security.

FDIC-Insured – established as part of the Banking Act of 1933, the Federal Deposit Insurance Corporation (FDIC) protects bank customers from possible losses by insuring various kinds of savings accounts up to \$250,000 per account.

Finance Charge – the fee you pay when you do not pay off the entire credit card debt within a single payment period, usually about 25-28 days.

Fixed – not changing. Fixed interest rates never change during the time of the investment or loan.

Fixed Expenses – expenses that stay basically the same from month to month, such as housing and transportation.

- G -

Grace Period – the time, usually about 25-28 days, you have to pay a bill or a loan in full. If you pay within the grace period, you do not have to pay a finance charge.

Gross Pay – the entire amount of your income or paycheck before any deductions – like taxes or insurance payments – are subtracted.

Guaranteed Student Loans – a loan from a financial institution that is insured, or guaranteed, by the federal or state government. An example is the Federal Family Education Loan Program (FFELP), which includes Stafford Loans and PLUS Loans.

- I -

Income Tax – an annual tax levied by the Federal government, most states, and some local governments, based on how much you earn in a year.

Insufficient Funds – a notice from your bank that you do not have enough money to cover an expense. Usually checks that bounce are returned stamped with the phrase, "insufficient funds." This means that the amount of the check was larger than the balance in your checking account.

Interest – the amount paid by a borrower to a lender for the privilege of borrowing the money.

Interest Rate – the price paid for the use of someone else's money expressed as an annual percentage rate, such as 6.5%.

Invest – to put your money into CDs, money market accounts, mutual funds, savings accounts, bonds, stocks or objects that you hope will grow in value and earn you more money.

- L -

Late Fee – a fee charged for missing a payment date. If your payment arrives late or not at all, the charge is added to your debt.

Lien – a right given to a lender over a borrower's property or money when the borrower cannot pay a debt.

Loan – money or an object that is lent, usually with the understanding that the loan will be paid back, usually with interest.

- M -

Master Promissory Note – the legal agreement between a student and a lender for college loans. The MPN includes the terms and conditions of the loan(s), including interest rate and repayment schedule.

Minimum Payment – the smallest amount you are required to pay a lender each month on a debt.

Money Market Account – a savings account offered by a bank (or a mutual fund). The account typically requires: 1) a minimum deposit; and 2) that you maintain a minimum balance. The account invests in certificates of deposit and treasury bills and pays a rate of interest that rises and falls with the economy.

Mortgage – usually refers to the money borrowed from a lender to buy a house. The borrower makes payments on the loan each month until the entire loan, along with interest, is paid in full.

Mutual Fund – a savings fund, managed by professionals, that uses cash from a pool of savers to buy a wide range of securities, like stocks, bonds, and real estate.

- N -

Net pay – the amount of your income or paycheck after any deductions such as taxes or insurance payments are subtracted. This is your take-home pay.

- O -

Overdraw – to take more money out of an account than is available in the account. Let's say that you write a check for \$25, but your account contains only \$20. You will have to pay the bank a penalty charge for going over the limit.

- P -

Principal – this is the amount of money you borrow in a loan. You pay this back plus interest.

- R -

Rate of Compounding – when an account compounds interest (i.e., figuring interest on interest already earned), it does so regularly. Compounding can take place annually, semi-annually, quarterly, monthly, or daily. The more often interest is compounded the faster your money will grow.

Return – the amount of money a saver receives from a savings account or fund. The return is usually talked about as a percentage, such as “this account returns 7.37%.”

Risk – the likelihood that you will lose money on an investment or fail to repay the loan.

- S -

Save – hanging onto your money for a future use instead of spending it. Saving is the opposite of spending.

Savings Account – a bank account that pays you interest for keeping your savings in it. Banks use your money to make loans, so they pay you interest for the use of your money. Your savings is insured by the FDIC, so you don't have to worry about borrowers taking your money and not paying it back.

Secured Credit Card – a credit card “secured” with a cash balance, such as a savings account. You cannot touch this balance, or the card will be deactivated (turned off). If you charge over your limit, the bank will take the balance from your account.

Share – a unit of ownership in an investment or a company.

Shareholder – someone who owns stock in a company.

Social Security Tax – a tax used to fund a federal government program that gives money to elderly people. The elderly receive funds because the government has deducted money from their paychecks during the course of their working lives. The money taken out of their paychecks has been deposited into the Social Security fund. When people reach a certain age, they become eligible to receive Social Security payments and receive monthly checks from the government.

Stock – a certificate representing a share of ownership in a company.

Stock Market – an organized way for: 1) people to buy and sell stocks; and 2) corporations to raise money. There are three widely known stock exchanges: The New York Stock Exchange, the American Stock Exchange, and the National Association of Securities Dealers Automated Quotation System (NASDAQ).

Subsidized Loans – college loans subsidized by the federal government. The government pays the interest on a loan while the student qualifies, generally while the student is enrolled in school.

- U -

Unearned Income – money made from interest on a savings account or other kind of investment.

U.S. Bond – a kind of investment in which you lend money to the government for a certain amount of time and at a certain interest rate.

- V -

Variable Expenses – kinds of spending that can be controlled and typically change from month to month. For example, groceries can be a variable expense. You can choose to buy expensive food (steak, lobster, lamb chops, or shrimp) or inexpensive food (chicken legs, turkey, hamburger). With variable expenses, you have choices.

- W -

Withdraw – to take money out of an account.

Withdrawal – the act of taking money out of an account.

(Adapted from www.themint.org).



Illinois Attorney General Consumer Resource Directory

Illinois Attorney General Senior Consumer Fraud Hotline: Call 1-800-243-5377 or visit www.illinoisattorneygeneral.gov

Illinois Attorney General Consumer Fraud Hotlines:

- Chicago: 1-800-386-5438
TTY: 1-800-964-3013
- Springfield: 1-800-243-0618
TTY: 1-877-844-5461
- Carbondale: 1-800-243-0607
TTY: 1-877-675-9339
www.illinoisattorneygeneral.gov

Illinois Attorney General Military and Veterans Rights Hotline: Call 1-800-382-3000 (TTY: 1-800-964-3013) or visit www.illinoisattorneygeneral.gov

Illinois Attorney General Charitable Trust Bureau: Before you give to a charity, call 312-814-2595 or visit www.illinoisattorneygeneral.gov

Illinois Attorney General Disability Rights Bureau: Call 312-814-5684 or visit www.illinoisattorneygeneral.gov

Illinois Attorney General Health Care Hotline: Call 1-877-305-5145 or visit www.illinoisattorneygeneral.gov

Illinois Attorney General Identity Theft Hotline: If you have been the victim of identity theft or believe your personal or financial information may have been compromised, call 1-866-999-5630 (TTY: 1-877-844-5461) or visit www.illinoisattorneygeneral.gov

Illinois Department on Aging Senior Helpline: To obtain a Benefit Access Application for the Seniors Free Transit Ride Program, Persons with Disabilities Free Transit Ride Program and Secretary of State License Plate Discount, call 1-800-252-8966 (TTY: 1-888-206-1327) or visit www.state.il.us/aging

Illinois Department on Aging Protective Services Hotline (formerly the Elder Abuse Hotline): Call the 24-hour hotline at 1-866-800-1409 (TTY: 1-888-206-1327) or visit www.state.il.us/aging

Illinois Department on Aging Senior Health Insurance Program (SHIP): Contact SHIP for free statewide health insurance counseling for Medicare at 1-800-548-9043 or visit www.state.il.us/aging/SHIP/default.htm

Illinois Commerce Commission: Report towing companies and household goods movers at 217-782-4654 (press 1) or visit www.icc.illinois.gov

Illinois Department of Financial and Professional Regulation: Check regulation, licensure and discipline of Illinois professionals at 1-888-473-4858 or visit www.idfpr.com

Illinois Department of Financial and Professional Regulation: Cemetery/Funeral Oversight: To request information or make a complaint about a cemetery, call the Cemetery Consumer Helpline at 1-888-756-8331 or visit www.idfpr.com

Illinois Department of Insurance: For information on the regulation of health, homeowner, auto and life insurance, or to file a complaint, call 1-866-445-5364 (TTY: 1-866-323-5321) or visit www.insurance.illinois.gov

State of Illinois Comptroller: For information on pre-need licensing and certification, call the Cemetery Care and Burial Trust Hotline at 1-877-203-3401 or visit www.ioc.state.il.us

State of Illinois Domestic Violence Helpline: Call 1-877-863-6338 (TTY: 1-877-863-6339)

Illinois Attorney Registration & Disciplinary Commission (IARDC):

To request an investigation of an Illinois licensed attorney, contact the IARDC at:

- Springfield: 1-800-252-8048
 - Chicago: 1-800-826-8625
- www.iardc.org

Illinois State Treasurer: Call the Unclaimed Property Division at 217-785-6998 or visit www.treasurer.il.gov

Illinois Secretary of State: Call the Public Service Line at 1-800-252-8980 or visit www.cyberdriveillinois.com

Illinois Secretary of State Police: For information about the regulation of new and used auto dealers, auto parts, auto repairers and auto builders, call 217-782-7126 or visit www.cyberdriveillinois.com/departments/police/home.html

Illinois Secretary of State Securities: For information about the regulation of the securities industry in Illinois and protection of investors, contact:

- Chicago: 312-793-3384
 - Springfield: 217-782-2256
- www.cyberdriveillinois.com/departments/securities/home.html

Illinois Department of Human Rights: For assistance under the Illinois Human Rights Act, contact:

- Chicago: 312-814-6200
 - Springfield: 217-785-5100
 - Marion: 618-993-7463
 - TTY: 1-866-740-3953
- www.illinois.gov/dhr

Illinois Department of Human Services: Call the Customer Helpline at 1-800-843-6154 (TTY: 1-800-447-6404) or visit www.dhs.state.il.us

Illinois Department of Healthcare and Family Services: For information regarding health care coverage for adults and children who qualify for Medicaid visit www2.illinois.gov/hfs/Pages/default.aspx. Call the Child Support Services Call Center at 1-800-447-4278 (TTY: 1-800-526-5812) or visit www2.illinois.gov/hfs/Pages/default.aspx

Illinois Department of Public Health: To file a complaint against a nursing home, call the Nursing Home Hotline at 1-800-252-4343 or visit www.idph.state.il.us

Illinois Department of Labor: To file a complaint regarding unpaid wages, call 312-793-2800 or visit www.illinois.gov/idol

State of Illinois Judicial Inquiry Board: To file a complaint regarding judicial misconduct or the failure/inability of a judge to perform judicial duties, call 1-800-227-9429 (TTY: 312-814-1881) or visit www2.illinois.gov/jib/Pages/default.aspx

Social Security Administration: Call 1-800-772-1213 (TTY: 1-800-325-0778) or visit www.ssa.gov

Medicare: For specific questions about your claims, medical records or expenses, call 1-800-633-4227 or visit www.mymedicare.gov

Report Medicare Fraud: Report fraud to the U.S. Department of Health & Human Service Inspector General at HHSTips@oig.hhs.gov or call 1-800-447-8477 (TTY: 1-800-377-4950)

Internal Revenue Service (IRS) Customer Service: Call 1-800-829-0582 (ext. 462) or visit www.irs.gov

Federal Trade Commission: If you receive unsolicited email offers or spam, you can forward the messages to the Federal Trade Commission at spam@uce.gov or call the FTC consumer helpline at 1-877-382-4357 (TTY: 1-866-653-4261) or visit www.ftc.gov

Federal Bureau of Investigation (FBI) Internet Crime Complaint Center: To report potential e-scams, visit www.ic3.gov

Consumer Financial Protection Bureau (CFPB): For assistance with mortgage, credit card and student loans or other consumer financial products, call 1-855-411-2372 (TTY: 1-855-729-2372) or visit www.consumerfinance.gov

National Do Not Call: To avoid telemarketing or solicitor calls, register for the Do Not Call Registry at 1-888-382-1222 (TTY: 1-866-290-4236) or www.donotcall.gov

Opt Out: To opt out of receiving pre-screened credit card offers, call 1-888-5-OPTOUT (1-888-567-8688) or visit www.optoutprescreen.com

Mail Preference Service: To reduce unwanted junk mail, contact the Direct Marketing Association at 212-768-7277, www.dmchoice.org or P.O. Box 643, Carmel, NY 10512



Illinois Attorney General Consumer Fraud Hotlines

Senior Fraud Hotline

1-800-243-5377
TTY: 1-800-964-3013

Homeowner Helpline

1-866-544-7151 (Voice/TTY)

ID Theft Hotline

1-866-999-5630
TTY: 1-877-844-5461
Español: 1-866-310-8398

Main Offices

Chicago Main Office

100 West Randolph Street
Chicago, IL 60601
(312) 814-3000
TTY: (800) 964-3013

Springfield Main Office

500 South Second Street
Springfield, IL 62706
(217) 782-1090
TTY: (877) 844-5461

Carbondale Main Office

601 South University Avenue
Carbondale, IL 62901
(618) 529-6400/6401
TTY: (877) 675-9339

Regional Offices

Chicago West Reg Ofc

306 North Pulaski Road
Chicago, IL 60624
(773) 265-8808
TTY: (866) 717-8804

East Central Illinois Reg Ofc

1776 East Washington Street
Urbana, IL 61802
(217) 278-3366
TTY: (217) 278-3371

Chicago South Reg Ofc

7906 South Cottage Grove
Chicago, IL 60619
(773) 488-2600
TTY: (866) 717-8798

Northern Illinois Reg Ofc

Zeke Giorgi Center
200 South Wyman Street, Ste. 307
Rockford, IL 61101
(815) 967-3883
TTY: (815) 967-3891

West Central Illinois Reg Ofc

628 Maine Street
Quincy, IL 62301
(217) 223-2221
TTY: (217) 223-2254

Metro East Illinois Reg Ofc

201 West Pointe Drive, Ste. 7
Belleville, IL 62226
(618) 236-8616
TTY: (618) 236-8619

www.IllinoisAttorneyGeneral.gov