

AD INFO

*Win a Char-Broil Big Easy Gas Grill and Smoker ...**Features***Skydiving**

Former president George H.W. Bush celebrated his 80th birthday doing it. Students do it. Housewives do it. Little old ladies from Pasadena do it. "It" is skydiving and more and more people of all ages are trying it -- and they are loving it, so much so, that the industry is experiencing a growth in demand for instruction and information.

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"Often times we're paying for services we don't use," says Ronni K. Cohen, executive director of the Delaware Financial Literacy Institute, a nonprofit organization that promotes financial education through the Delaware Money School. "We just see the amount and pay it."

Financial analyst Fred Siegel agrees. "You may be paying charges that you don't even know are there," says Siegel, author of "The Richest Man in Babylon for Today: New Secrets for Building Wealth in the 21st Century" (Grammaton Press, 2004). "A lot of [the charges are] negotiable."

TAKE CHARGE

To cut down on errors, cut down on credit cards. "We tend to have too many cards," Cohen notes. "We have store cards and cards that earn us rewards. You have to look at the costs of the rewards."

It's important to consider all the card's attributes, including interest rate, the grace period before finance charges start, and fees. Read the fine print. "There are fees attached to so many things," Cohen says. "You have to pay attention."

If you can't read the small type, or you don't understand the information, call and ask for clarification, she says. Here's what to look for.

* Card issuers need only give consumers 15 days prior written notice to change the interest rate. They can apply the new rate to both outstanding balances and new purchases. Rate and fee changes are generally noted on a separate piece of paper in the statement envelope. Read everything.

* Card issuers can charge different rates for different types of transactions. Some issuers increase the percentage when you shop internationally, Siegel says. You may not realize the difference, since the charge is converted to dollars on your statement. Ask the company about its policy before you shop in a foreign country.

* Even if you never use the card, you may be assessed an annual fee.

* Learn the payment conditions and track changes. Remember the statement date is not the date on which you receive the bill; it's the date on which the statement is prepared. Issuers can penalize you for making one late payment or exceeding your credit limit. If you miss a payment, they may raise your interest rate, Siegel notes.

* Offers of 0-percent balance transfers can be misleading. The offer is typically for a restricted period, after which the interest rate can soar on the unpaid balance. A missed payment can nullify the offer. The issuer may require that you make a minimum number of purchases to maintain the rate.

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To learn more about credit cards and compare offers, check out Bankrate (www.bankrate.com/bnm/default.asp), an Internet consumer finance marketplace.

AT YOUR SERVICE

Credit card statements aren't the only place where you'll find hidden costs. Always open mail from current vendors, such as heating oil companies. What appears to be an advertisement could be notification of new service added to your account. The vendor will bill you unless you call and refuse it.

Phone card companies, meanwhile, may not communicate the real deal. "If you get a busy signal, are you charged?" Siegel says. "Is there an extra charge if you use a public phone? Maybe there's a \$1 connection fee. These things can blow the card out of the water as far as being a good deal." Again, read the disclosure information, or call to learn the details.

Phone plans may also present hidden costs. Determine if you have unlimited local calls or if you must pay for calls over a certain limit -- a concern if you use a dial-up Internet connection. And take a look at the packaged extras in your plan. "Do you use call waiting or three-way call?" Cohen says. "If you don't use them, ask to have them removed." Or, consider another plan.

Travel presents its own traps. Hidden costs of car rentals include added drivers, upgrade switches, fees, taxes and drop-off and fuel charges. Question a company representative before you sign. Similarly, don't take airfare tickets or hotel rooms at face value. Taxes and service fees can up the price. Recently, a \$160 room in Rehoboth Beach was \$187 after the extras.

When it comes to mutual funds, there is a "myriad of hidden costs," Siegel says. "There's no free lunch on Wall Street." While expense ratios reflect a fund's annual expenses, they often don't include all of a fund's operating costs. Take trading commissions, for instance, which can add up if the fund does a lot of buying and selling.

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There are few tasks as tedious as paying bills. Too often we let our bills pile up. By the due date, we're scrambling to find checkbook, pen and stamps. We barely have time to write the check let alone examine the statement. But signing in haste can cost you money.

GET ORGANIZED

It pays to have a system for paying bills so you can quickly spot errors.

* Develop a filing system to sort receipts and bills, says Jocelyn Coverdale of Ballantrae Organizing Solutions in Newark, Del. She uses pocket-like sleeves that fit into a notebook. There's a pocket for each account. When she makes a credit card purchase, she slips the receipt into the proper pocket.

* Sort bills as they arrive, Coverdale says. Compare statements to the receipt. If you don't pay bills as you receive them, insert the bills in the folder and schedule a regular time to write checks.

* If the receipt involves a tax deduction, file it, Coverdale says. Or, keep receipts as proof of purchase, especially if you have a warranty. Otherwise, "purge it," she says. The shredder is better than the trash.

* Keep returned checks in a file box.

* Consider paying bills online. "Banks are good about security," Coverdale says. You can pull up the information at any time and see if payments have cleared."

* Use computer software, such as Quicken, which will keep track of your finances. Your expense record is literally at your fingertips.

* Ask credit card issuers if they offer year-end statements. "It shows you where your money has gone," Cohen notes. "Sometimes it's the slap in the face you need to help you realize how much you've spent."

* Shred any documents that could lead to identity theft, including credit card offers that you receive in the mail. The application has your name and address on it.

MAKE THE CALL

Don't recognize a company listed on your credit card statement? Perhaps it's the name of the store's parent company rather than the actual store name. Regardless, investigate any potential problems. Most companies will be happy to help you resolve the issue.

"Credit card companies don't want to lose your business," Cohen says. "It's very easy for you to transfer the balance to another company." The same is true for most vendors.

For dispute settlement procedures, turn to the Fair Credit Billing Act (FCBA). The law applies to open-end credit accounts, such as credit cards, and revolving charge accounts, such as department store accounts. It does not cover installment contracts -- loans or extensions of credit repaid on a fixed schedule. For information, see www.ftc.gov/bcp/online/pubs/credit/fcb.htm.

AMONG THE MANDATES, YOU MUST:

* Write to the creditor at the address given for billing inquiries, not the address for payments. Include your name, address, account number and a description of the billing error.

* Send the letter so it reaches the creditor within 60 days after you received the bill containing the error. Include copies of the sales slips or other documents. Keep the original receipts and a copy of the letter.

* Send the letter by certified mail with a return receipt requested so you have proof of what you sent the creditor.

* The creditor must acknowledge your complaint in writing within 30 days after receiving it, unless the problem has been resolved. The creditor must resolve the dispute within two billing cycles (but not more than 90 days) after receiving your letter.

* You may withhold payment on the disputed amount during the investigation. You must pay any part of the bill not in question.

* The creditor may not take any legal action to collect the disputed amount and related charges during the investigation. While your account cannot be closed or restricted, the disputed amount may be applied against your credit limit.

* If the creditor finds no error, you must pay the disputed amount, plus any finance charges that accumulated while the amount was in dispute. You also may have to pay the minimum amount you missed paying because of the dispute.

* Disputes about the quality of goods and services are not "billing errors."

Of course, some people receive satisfaction with a phone call. Yet you still need to protect yourself.

* Record every detail of the conversation, including the person's name or operator number and what was discussed.

* Don't be afraid to ask for the supervisor, Cohen says.

* Feel free to ask questions. "Remember, they're working for us," she says. *

For More Information

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"The Richest Man in Babylon for Today: New Secrets for Building Wealth in the 21st Century" by Fred Siegel

Available on Amazon.com

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Delaware Money Management Program

The Delaware Money Management Program --

co-sponsored by the Division of Services for the Aging and Adults with Physical Disabilities and AARP.

(800) 223-9074

<http://www.state.de.us/dhss/dsaapd/money.html>

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