

Defeat Debt

Credit Advisors Foundation

Volume 48, Issue 11

The Real Story—Electronic Check Conversion

Last month in Defeat Debt we discussed Check 21. This month we'll take a look at e-checks. And yes, Virginia, they are different.

Electronic check conversion, or an e-check is a one-time debit made from your checking account. You may be asked for information from your check, for example: bank routing number, checking account number, check number, and so on, to process your payment by electronic withdrawal through the Automated Clearing House (ACH) network.

Yes, that's the same system through which Credit Advisors receives your monthly electronic funds transfers (EFT) for your debt

management program. So it's clear...with electronic check conversion your check itself is no longer the method of payment.

They have to tell you. Federal law, The Electronic Fund Transfer Act and the Federal Reserve Board's Regulation E requires that you be notified that information from your check may be used to make an electronic payment from your account. This notification can take many forms. For example, the notification could be in the terms and conditions of a bill or on the statement itself, for a mailed check. A retailer may notify you with a notice in writing at the time of purchase or over the register at the point of sale. Some may have you sign a statement acknowledging that your check may be converted. You may also find that companies that take your payment by phone or over the Internet will notify you at the time of the transaction.

You can opt out. Some companies may give you a choice if you ask.

(Especially now that Check 21 is in place). With others, your only choice may be choosing another type of payment, i.e. debit card, credit card or cash.

You may or may not receive your check back. If you mail your check and it is converted, the original check must be destroyed within 14 days. At the retailer, the clerk may ask you for your check (blank, partially completed or fully completed), process it through a machine, mark the check void or processed and hand it back to you.

The transaction will be listed on your bank statement. While the specific check (number) used should not be used again, it will list on your statement, but it may not list with your other checks (those that were not converted). The transaction may list on your statement as an ACH transaction. In such a situation, the transaction will provide you with name of the company (rather than just the check number), the payment amount, and date.

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Information is obtained from your check to process your payment electronically.

Electronic Check Conversion

(Continued from page 1)

How will this affect you?

The impact of electronic check conversion will be similar to the effects of Check 21. There may be no “float time” for your check. In other words, if you write a check today, make sure you have funds in your account today. Otherwise, the potential for bounced checks will increase dramatically. As a smart consumer, you are aware of the fees and charges connected to bounced checks, as well as the damage such a miscalculation can do to your credit record. If you have such concerns, investigate your bank’s policies and charges for connecting a savings account to your checking account, or overdraft protection. Remember, although the check may be paid, you may be charged for these services and the overall cost should be compared to the cost (both monetary and to your reputation) for insufficient funds checks.

What if an error is made?

As always, check your bank statement immediately upon receipt. *Don’t delay.* In most situations you have sixty days from when the statement was sent to you (note: *not* when you receive it). Once you notify your financial institution, they may take as much as forty-five days to investigate.

What about identity theft or unauthorized electronic transactions?

If, when examining your statement, you suspect an unauthorized transaction,

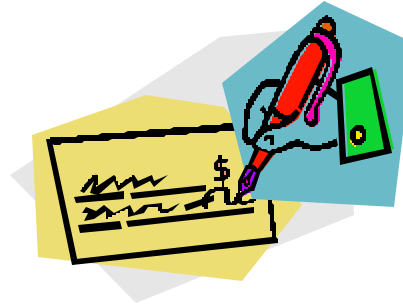
notify your financial institution immediately.

According to the FTC if you report to your financial institution within two business days, your loss will be limited to \$50. If you wait longer, say over sixty days, you could lose all the money in your account and any unused portion of the maximum line of credit you have for overdrafts. Ouch!

In addition, the FTC recommends keeping track of all deposits, withdrawals, checks and ACH transactions from your account and balancing your check book, while watching for duplicate transactions. They also suggest using caution when sharing your account information, especially over the phone, unless you initiate the contact or know whom you’re dealing with. (If you need to file a complaint, contact the FTC at www.ftc.gov or toll free at 1-877-382-4357.

Finally, the Federal Reserve has some suggestions for consumers as well. Before you agree to electronic check conversion, you should first ask yourself:

- Do I understand that the information from my check will be used to make an electronic payment from my



With electronic check conversion there may be no “float time” for your check.

account?

- Do I have enough money in my account to cover the payment?

Before you leave the store, you should ask yourself:

- Did I receive a receipt?
- Does the amount on the receipt match the amount of my purchase?
- Was my check returned to me and

voided?

And when you receive your statement from your financial institution, you should:

- Make sure that the charges on your statement match your records.
- Contact your financial institution right away if you notice a problem.

The more you know about the changes as well as the future of checking, the better able you’ll be to manage your money more effectively.

Don’t delay. Always check your bank statement immediately upon receipt.

What Are Your Budget Friendly, Money Saving Holiday Ideas?

Everyone has special ways they’ve discovered to save a little dough during the holidays, while keeping the spirit and intent of the season alive.

Sometimes these ideas can make the holidays even more special for you, your family and friends.

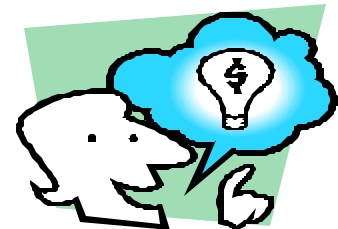
What are yours?

Send them in!

Send Michaela, our program director, your money saving, budget friendly holiday ideas. Everything from entertaining on a shoestring, gift giving, decorating, or holiday travel and we’ll publish them in the December Defeat Debt.

Write to: Credit Advisors,
1818 South 72nd Street
Omaha, NE 68124 or

Email to: michaela@creditadvisors.org



Send us your budget friendly, money saving holiday ideas.

Word Search

The Word Search challenge this month: find the words from the article *The Real Story — Electronic Check Conversion*, listed below:

BOUNCE IDENTITY
CHARGE LAW

ORIGINAL RETAILER

CONVERSION FLOAT

ELECTRONIC THEFT

FEDERAL REGISTER

FUND STATEMENT

CHECK TRANSACTION

OVERDRAFT

T	W	M	L	O	R	I	G	I	N	A	L
R	E	T	A	I	L	E	R	D	C	E	P
A	B	L	W	A	N	R	K	E	C	L	O
N	Q	I	E	V	I	C	Z	N	O	A	S
S	X	K	U	C	E	B	A	T	N	R	T
A	T	F	E	H	T	F	T	I	V	E	A
C	W	U	C	D	I	R	A	T	E	D	T
T	G	N	H	T	A	I	O	Y	R	E	E
I	H	D	A	S	T	A	L	N	S	F	M
O	V	E	R	D	R	A	F	T	I	K	E
N	R	E	G	I	S	T	E	R	O	C	N
B	C	V	E	C	N	U	O	B	N	E	T

National Family Week

Celebrated for more than 30 years, National Family Week is held the week of Thanksgiving. It provides everyone opportunities to honor the connections that support and strengthen families, connections both within families and from families to their communities. That’s why the theme is Connections Count.

Who are the special people and organizations that help your family? Perhaps it’s a grandmother or neighbor who watches the kids during the workweek, a placement center that helped you find a new job, a community leader who helped get a new park built in your neighborhood, or elected officials who advocate for family-friendly policies.

Events and activities are being coordinated nationwide for National Family Week. Check out www.nationalfamilyweek.org to find out what’s happening in your area.

The following are easy ways to celebrate National Family Week with your family:

- Write a letter to thank someone who has made a difference for your family.
- Discover new ways to spend quality time together, perhaps by volunteering.
- Hold a “family supper” with neighbors or with the families of your children’s friends.
- Get involved with an issue in your community that’s important to your family.
- Visit a local community center to learn about the family activities it offers.



Our success is made possible
by your success.

Thank You.

May you and yours enjoy a
bountiful Thanksgiving.



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We're on the Web!!
www.creditadvisors.org

Get out of debt, with no regret!

The Kitchen on a Dime—Bread Pudding with Currants and Raisins

Don't be afraid of the list of ingredients for this dessert. Making it is actually easy, and the taste is fabulous, evoking comforting images of hearth and home on a late Autumn evening.

Ingredients:

Nonstick cooking spray

8 cups 1-inch cubes dry, sweet egg bread (such as Hawaiian. Hint: Cube bread the night before. Spread on large baking sheet and allow to stand, uncovered, overnight to dry.)

1 cup golden raisins

1/2 cup currants

3/4 cup butter (divided)

6 eggs, beaten

3 cups milk

1/3 cup sugar

1 Tablespoon vanilla

1/4 tsp ground nutmeg

1/4 teaspoon ground cinnamon

1/4 teaspoon ground cardamom

1/4 teaspoon ground coriander

3 Tablespoons sliced almonds

Browned Butter Sauce

To Make:

Coat a 2-quart baking dish with nonstick cooking spray and set aside.

In a large bowl combine bread cubes, raisins, and currants. Set aside.

Using a small skillet, cook and stir butter until melted and browned. Place 1.4 cup of melted butter in large bowl and set aside remaining for butter sauce.

In same bowl with butter, beat in eggs, milk, sugar, vanilla, nutmeg, cinnamon, cardamom, and coriander until combined. Pour over bread and fruit mixture and toss until thoroughly coated.

Turn into prepared baking dish.

Preheat oven to 350 degrees. Place baking dish on cookie sheet. Bake, uncovered, 45 minutes or until a knife inserted near center comes out clean.

Remove from oven. Cool slightly and sprinkle with almonds.

Sauce: In a small bowl stir together the reserved browned butter, 2 cups sifted powdered sugar, 2 Tablespoons milk, and 1/4 teaspoon vanilla until smooth.

Pass or top bread pudding with sauce when serving.

Makes 12 servings at 75 cents each.



Bread Pudding with Currants and Raisins rates as ultimate comfort food.