

Defeat Debt

Credit Advisors Foundation

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Under fire: Credit Card Policies Scrutinized

Let's face it, it had to happen eventually. Now that the creditor-backed Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 has taken effect, there aren't too many people out there who haven't begun to take a closer look at the credit card industry and how they conduct business.



Taking a closer look at the credit card industry and how they conduct business.

Not only are consumers and consumer advocates speaking up but also the merchants who accept the cards have finally decided there are significant issues that need to be addressed on their side of the counter.

The monthly magazine Consumer Reports issued a story last month noting many credit card issuer practices as consumer *non*-friendly, titled, "Credit Cards: They really are out to get you". The Better Business Bureau has said that the number of complaints on credit cards are now the third most prevalent for their organization.

Even Congress, where representatives are also hearing complaints, is taking a look at certain policies and practices that tend to aggravate financial difficulties for vulnerable consumers. Congress has seen bills like The Credit Card Accountability Responsibility Disclosure Act of 2005, the Consumer Credit Card Protection Act of 2005 and The Loan Shark Prevention Act introduced in the past year.

Of course, they are preaching to the choir for anyone who has run into some of these issues – or

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Surviving Your Hospital Bill

Who would ever think they would need to hire a team of auditors to help them review and understand their hospital or medical bills. As bills seem to be becoming less

patient friendly, more consumers are confused and frustrated by the bills they are receiving than ever before. Over charges and other billings errors are

increasing medical costs at alarming rates. According to Money Magazine, "more than 90% of the roughly 31 million hospital bills

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Under fire

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more to the point – has a credit card account.

What are some of the hot topics?

- High interest rates
- Ever increasing late and over-the-limit fees
- Negative amortization (when the balance keeps rising although the consumer continues to make timely 'minimum required' payments)
- Universal default and other 'fine print' penalties and changes in agreement terms with no opt-out opportunity
- Other fees like non-use fees and pay-off fees
- Teaser or introductory rates with inadequate disclosures

Although nothing has yet been signed into law, there is some hope that it won't take years for vulnerable consumers to gain some breathing space from the financial pressures that these policies can produce. Certain card issuers have begun to respond to consumer complaints and dissatisfaction (after all credit cards are still a very competitive market) by changing or adjusting their policies. For example, Discover has dropped the universal default language from its card holder agreement, while Citibank uses an opt-out process that allows the old terms to remain. The credit card issuers are also



*If you need help contact
Credit Advisors Foundation*

experimenting with various new term cards – like Citigroup Inc. offering a card with no late fees – as long as it is used on a monthly basis, or an American Express card with a savings account attached, funded by one percent payback of purchases made.

Of course, while it's a start, there is a very long road ahead for unsuspecting consumers who may become trapped by confusing terms, ever increasing rates and fees, and burgeoning balances.

If you need help, contact one of our experienced certified credit counselors at Credit Advisors Foundation, otherwise you may just be on your own for a while... reading a lot of really fine print.

Surviving

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processed each year are wrong, with overcharges making up an estimated two-thirds of the errors. The cost of overcharges to consumers, insurers and the government--the biggest medical payer of them all--is an estimated \$10 billion a year." In some cases, hospital charges have been found to be four times higher than the actual costs.

Bankrate.com advises consumers to protect themselves by watching out for the following on their statements.

- Honest human data entry errors in calculations and grouping of services.
- Paying for name brand medication when a generic brand is available at a much lower cost.
- Double charges for duplicate procedures, tests, supplies or medications.
- Paying for items that were ordered but were never rendered due to changes in doctor's orders.
- Being charged for a private room when you stayed in a semi private room.
- Paying for more days than you actually stayed. (Most hospitals do not charge for the day you are discharged.)
- Bundling of charges.
- Incorrect rates.

Check your bill to be sure you are not charged multiple times.

Be Informed!

Start by requesting an itemized statement. You should require your care giver to provide you with a list of the products and services for which you are being charged. It is nearly impossible to verify the accuracy of your bills without knowing this information. It is also very important to enlist your own patient advocate who takes notes of procedures and drugs that can be compared at bill time. Often the patient themselves is too confused or clouded by pain to remember specifics.

Word Search

Challenge yourself with our Word Search puzzle by finding the words below, taken from the articles in this months Defeat Debt. Good Luck!

- ACCOUNT
- BALANCE
- BANK
- BUSINESS
- CARD
- CHECK
- CONSUMER
- COSTS
- DEFAULT
- DEPOSIT
- FEE
- LAW
- MONEY
- PERKS
- REVIEW
- SERVICE
- SHOP

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

Checking Your Bank

What do you think of when you think of 'your bank'?

Studies show that the first relationship most consumers have with a financial institution revolves around the checking account. There is also evidence that when a consumer refers to 'my bank' it is the bank or credit union where their checking account is located.

Initially when you chose your bank, you may have based your decision on branch location, the services they offered or maybe even because of the free toaster. Despite the reason, once we open that checking account, most of us stay with the same bank over the long haul. Why is that?

Most assuredly our financial needs have changed. You can also figure that the costs and fees associated with our accounts have changed over the years. In this day of ATMs, direct deposit and electronic transactions, most of us could care less about a convenient branch location. It simply makes good fiscal sense to occasionally review your bank and your accounts, as well as the perks, costs and options associated with them.

Your final decision will most likely be made according to what services you require on a regular basis, compared to the offered services, along with costs of

the banks you consider. Some questions to ask yourself, which may help you determine which banking services you need, are:

- How much money will you be putting in the account? Usually, the higher the average balance on an account the more perks available.
- How many checks do you write? Some accounts have no monthly maintenance fees but will charge you per transaction if your account balance drops below a minimum amount. Or, the bank may have a limit on the number of checks you may write in a month's time – if you go over that amount, you may find surprisingly high fees on your next statement if you go over that limit.
- How many additional services would you make use of? You may want to make use of an ATM, money orders, cashier's checks, wire transfers, or direct deposit, to name a few services offered. Does the bank you are considering offer all of these and how convenient are the services to use? At what cost? If there are fees attached to certain services will the bank waive some or all of those fees to gain your business? Some banks also offer a



wider range of branch operation hours that may contribute to your convenience factor. How many different types of accounts will you be opening? (i.e., checking,

saving, loans, credit cards, certificates of deposit) The more accounts you have with 'your bank', the more likely the bank will be to offer you discounts and price breaks.

Even with all your comparisons and questions, you may find yourself struggling to obtain full disclosure on all fees prior to opening an account. Ask specifically for a fee schedule and ask questions about anything you do not understand.

Finally, just like any other business relationship you make, don't forget to check for consumer complaints and rate listings before making your final decision. Some places to check might be your state banking department (some track bank pricing), the Better Business Bureau, or www.bankrate.com, www.ripoffreport.com and www.hsh.com.

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We're on the Web!

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Get out of debt with no regret!



The Kitchen on a Dime

NEIMAN-MARCUS COOKIES (Recipe may be halved)

These gourmet cookies are sure to impress the most discernable eater and make a great inexpensive holiday gift for those on your list.

Ingredients:

- 2 cups butter
- 24 oz. chocolate chips
- 4 cups flour
- 2 cups brown sugar
- 2 tsp. soda
- 1 tsp. salt
- 2 cups sugar
- 1 8 oz. Hershey Bar (grated)
- 5 cups blended oatmeal

- 4 eggs
- 2 tsp. baking powder
- 2 tsp. vanilla
- 3 cups chopped nuts (your choice)

To make:

Measure oatmeal, and blend in a blender to a fine powder.

Cream the butter and both sugars.

Add eggs and vanilla, mix together with flour, oatmeal, salt, baking powder, and soda.

Add chocolate chips, Hershey Bar, and nuts.

Roll into balls, and place two inches apart on a cookie sheet.



Bake for 10 minutes at 375 degrees.
Makes 112 cookies.