Credit Cards

• There are *many types* of credit cards with various features, but there is *no one best* credit card.
• Questions to consider:
  • Are you going to use it for *everyday or larger* purchases?
  • Do you plan to pay off your balance *each month*?
  • How does your life as a college student influence your *spending habits*, and how might they affect your choice of credit card?
Factors to Consider

- **Annual Fee**: Some cards expect you to pay an amount each year for being a cardholder.

- **Rewards Programs**: Can you *earn points* for flights, hotel stays, and gift certificates to your favorite retailers?

- **Grace Period**: This is the number of days you have to pay your bill *before finance charges start*.

  - Without this period, you may have to pay interest from the date you use your card or the date the purchase is posted to your account.
Other Factors to Consider

- **Finance Charges**: Most lenders calculate finance charges based on the *average* of what you owed each day in the billing cycle
  - Look for offers that use an *adjusted balance* which subtracts your payments and usually has the lowest charges
  - Check whether there is a *minimum finance charge*
- **Other Fees**: Ask about fees when you get a cash advance, make a late payment, or go over your credit limit
  - Some credit card companies also charge a *monthly fee*
  - Be careful: sometimes companies may also try to upsell by *offering other services* such as insurance or debt coverage

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● Retailers are permitted to charge a fee for using a credit card of up to 3% of your total purchase

● If a retailer charges a surcharge, it must be clearly disclosed in the store and on your receipt

● These checkout fees may instead come in the form of a discount to consumers that pay with cash

● Retailers can also require a purchase of at least $10 to use a credit card
Housing Rental

- Before looking at apartments or rental houses, evaluate your living needs:
  - Number of rooms, location, and distance from shopping and public transportation
  - Price and amenities
  - Safety and security
- Friends and newspapers provide inexpensive advice
- Real estate agencies can help, but may charge a fee for their services
Factors to Consider

- Are the doors, windows and entrances to the building *secured*? Are the stairs *safe and well lit*? Are the fire escapes *easily accessible*?
- Is the apartment *quiet*? Can you hear those next to, above or below you?
- Is there evidence of *rodents or insects*? Who pays for an exterminator?
- *Ask others* in the apartment complex about any negative aspects of living there.
- If the apartment is furnished, check for, record and save a *written list of all defects* in the furniture.
- Make and keep a *list of all existing damage* and repairs that need to be made. Keep a copy of the list, give one to your landlord and *attach a copy to the lease*.
Signing a Lease

- Make sure your lease contains:
  - The specific address, including apartment number of the property
  - The length of the lease
  - An explanation of the rent payment procedure, including late penalties and rent increases
  - Which utilities you are responsible for paying and how costs for those utilities are determined
  - Termination or renewal terms
  - The amount of the security deposit
Security Deposits

- To have your security deposit refunded, give the landlord a **forwarding address** and return the keys to the property.
- **Within 30 days** after you move out the landlord, must either return the security deposit or send you **a list of damages**, the cost of repairs and any money remaining from the security deposit.
- If the landlord does not provide a written list of damages within 30 days, he **may not keep any part** of the security deposit.
  - You may then sue to recover the deposit.
Warranties & Guarantees

• All warranties must be: easy to understand, available for the consumer to read prior to purchase, and labeled as either “full” or “limited”
  • Limited warranties have less coverage (may not cover labor, may only apply to original owner, or may require effort by consumer)

• Products also come with implied warranties where they must be in working condition for ordinary use

• Watch out for products labeled “as is”

• Be sure to read the warranty before purchasing the item

• Be sure to get all verbal promises from the seller in writing or they may not be valid!
Identity Theft

- Occurs when someone steals your personal information (e.g., credit card or social security number) and uses it fraudulently
- Thieves can hack your computer/email or physically steal information
- Teens are great targets because they have good credit that sits unused
- Can’t perfectly protect yourself but there are steps to minimize risk
  - You might be a target but you don’t have to be a victim!
Protecting Yourself

• **Deter:**
  1. Keep information secure – don’t carry your Social Security card with you!
  2. Don’t use obvious passwords
  3. Shred financial documents and credit applications before discarding them

• **Detect:**
  1. Be on the watch for denials of credit and missing mail or bills
  2. Inspect your credit at [www.annualcreditreport.com](http://www.annualcreditreport.com)
  3. Inspect your financial statements for unauthorized charges

• **Defend:**
  1. Place a fraud alert on your credit (Equifax, Experian, Trans Union)
  2. Close affected accounts

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Deceptive Sales Practices

- **Bait and switch**: Luring customer with inexpensive item, then trying to sell a more expensive one

- **Going Out of Business Sale**: Sales conducted under the belief that a store is going out of business when they actually are not
  - State law says once a going out of business sale begins the store cannot bring in new items and the sale can only last for 30 days
  - **Remember**: Products sold at stores going out of business are usually not returnable and may not have valid warranties!

- **Continuous Sale**: Stores may claim goods are always on sale when the “reduced” price is just the actual selling price.
  - Be sure to shop around various stores to compare prices!

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Spotting Scams: Key Signs

- Cash-only transactions
- Secret Plans: Information is not available to the public or you may not be allowed to talk with family or friends about the “deal”
- Ability to “Get Rich Quick”
- Getting Something for Nothing
- Sense of Urgency
- Last Chance to participate
- Left-Over Material: Usually stolen or damaged
Types of Scams

• **Door-to-Door Sales**: May just be a front to “case” your house or steal your property
  - Get everything **in writing**!
  - Under PA law, you have a **three days to cancel** goods and services sold in your home. The seller must provide this notice verbally, in the contract, and in a separate written disclaimer form

• **Online Scams**: Includes advertising for hyped up products or business opportunities – beware of exaggerated claims!

• **Work-at-Home Schemes**: Involves addressing/stuffing envelopes or assembly/craft work yet you might have to pay for all of the supplies
  - Find out exactly what you must do and **the costs involved**!

• **Grandparent Scams**: Receiving a phone call from a “relative in need” or “police officer” where you are asked to wire money
  - Establish a **family code word**

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More Scams

- **Lottery Scams**: Receive a notice in the mail that you won a prize and may even include a check which is usually fraudulent
  - May ask you to send money which is NEVER needed for a real sweepstakes
  - It is ILLEGAL to participate in a foreign lottery
- **Mystery Shopper Scam**: Given a check to be a mystery shopper and evaluate the service at a store
  - Told you have been overpaid and need to wire back a certain amount of money
  - After you wire the money, you find out the original check was fraudulent
- **Travel Scams**: May offer sensation deals but have many hidden fees or awful conditions

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Key Takeaways

• If it seems too good to be true, it probably is
• Never share credit card information, your Social Security number, checking account information, or other personal data if you are not certain you are dealing with a reputable company
• Make sure to find out all of the details and get it in writing
• Contact Pennsylvania Bureau of Consumer Protection for any questions or concerns

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References

• Information in this presentation was derived from the following sources:
  • 2015 Consumer Action Handbook produced by the United States General Services Administration Federal Citizen Information Center
  • Consumer Protection Rights & Resources for Consumers of All Ages produced by the Pennsylvania Office of the Attorney General
  • Take Charge – Fighting Back Against Identity Theft produced by the Federal Trade Commission