



Penn CASE

CONSUMER ASSISTANCE, SUPPORT & EDUCATION

Penn CASE is a student organization
at the University of Pennsylvania

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

Surcharges

- 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
 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
 3. File a police report & contact the Federal Trade Commission (www.ftc.gov)

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!

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

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

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