

YOUR MONEY

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One of America's Oldest, most trusted Consumer Credit Counseling Agencies.

Accredited by BVQI as an ISO 9001:2000 registered organization.

A founding member of the **AICCCA**
Association of Independent Consumer Credit Counseling Agencies.

A member of **AADMO**
American Association of Debt Management Organizations

Licensed by the Department of Financial Institutions and fully bonded

Member in Good Standing of the Better Business Bureau



ANYONE CAN QUALIFY FOR A MAJOR CREDIT CARD!

Separated? Divorced? Bankrupt? Widowed?

BAD CREDIT? NO CREDIT?

NO PROBLEM!

900-555-1111

Make the call **NOW** and get the credit you deserve!
Even if you've been turned down before, you owe it to yourself And your family.

Your major credit card is waiting.

Ads like this may appeal to you if you have a poor credit history or no credit at all. While secured credit cards can be an effective way to build or re-establish your credit history, some marketers of secured cards make deceptive advertising claims to entice you to respond to their ads.

Secured vs. UnSecured Cards

Secured and Unsecured cards can be used to pay for goods and services. However, a secured card requires you to open and maintain a savings account as security for your line of credit; an unsecured card does not. The required savings deposit for a secured card may range from a few hundred to several thousand dollars. Your credit line is a percentage of your deposit, typically 50 to 100 percent. In addition, you also may have to pay application and processing fees -- sometimes totaling hundreds of dollars. Before you apply, be sure to ask what the total fees are and whether they will be refunded if you're denied a card. Typically, a secured card requires an annual fee and has a higher interest rate than an unsecured card.

Deceptive Ads and Scams

The Federal Trade Commission (FTC) has taken action against companies that deceptively advertise major credit cards through television, newspapers, and postcards. The ads usually lead you to believe you can get a card simply by calling the number listed. Sometimes the number is not toll-free. A '900' number service, for which you are billed just for making the call, may instruct you to give your name and address to receive a credit application, or give you a list of banks offering secured cards. Deceptive ads often leave out important information.

- The cost of the '900' call -- which can range from \$2 to \$50 or more;
- The required security deposit, application, and processing fees;
- Eligibility requirements like income or age;
- An annual fee or the fact that the secured card has a higher than average interest rate on any balance.

How to Avoid the Scam

To avoid being victimized, look for the following signs:

- Offers of easy credit. No one can guarantee to get you credit. Before deciding whether to give you a credit card, legitimate credit providers examine your credit report.
- A call to a '900' number for a credit card. You pay for calls with a '900' prefix -- and you may never receive a credit card.
- Credit cards offered by "credit repair" companies or "credit clinics." These businesses also may offer to clean-up your credit history for a fee. Remember that only time and good credit habits will restore your credit worthiness.

Credit Reporting

If you're considering a secured card as a way to build or re-establish a credit record, make sure the issuer reports to a credit bureau. If your card issuer doesn't report to a bureau, the card won't help you build a credit history. Ask if the creditor reports transactions to a credit bureau. If they do -- and if you pay back your debts regularly -- you will build a good credit history.

Identity Crisis... What to Do If Your Identity is Stolen

In the May Issue of "Your Money", we discussed how Identity Theft can occur. The following explains what to do if you are already a victim of this fast growing crime.

"I don't remember opening that credit card account. And I certainly didn't buy those items I'm being billed for." Maybe you never opened that account, but someone else did...someone who used your name and personal information to commit fraud.

The biggest problem? You may not know your identity's been stolen until you notice that something's amiss: you may get bills for a credit card account you never opened, your credit report may include debts you never knew you had, a billing cycle may pass without your receiving a statement, or you may see charges on your bills that you didn't sign for, didn't authorize, and don't know anything about.

First Things First

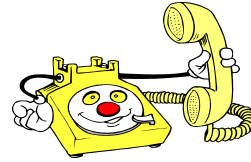
If someone has stolen your identity, the Federal Trade Commission (FTC) recommends that you take three actions immediately.

1. Contact the fraud departments of each of the three major credit bureaus. Tell them to flag your file with a fraud alert including a statement that creditors should get your permission before opening any new accounts in your name.

At the same time, ask the credit bureaus for copies of your credit reports. Credit bureaus must give you a free copy of your report if it is inaccurate because of fraud. Review your reports carefully to make sure no additional fraudulent accounts have been opened in your name or unauthorized changes made to your existing accounts. In a few months, order new copies of your reports to verify your corrections and changes, and to make sure no new fraudulent activity has occurred.

Order credit report / Report fraud Web site

Equifax 800-685-1111 800-525-6285 www.equifax.com
Experian 888-EXPERIAN (397-3742) 888-EXPERIAN www.experian.com
Trans Union 800-916-8800 800-680-7289 www.tuc.com



2. Contact the creditors for any accounts that have been tampered with or opened fraudulently. Ask to speak with someone in the security or fraud department, and follow up in writing. Following up with a letter is one of the procedures spelled out in the Fair Credit Billing Act for resolving errors on credit billing statements, including charges that you have not made.
3. File a report with your local police or the police in the community where the identity theft took place. Keep a copy in case your creditors need proof of the crime.

Next, Take Control

Although identity thieves can wreak havoc on your personal finances, there are some things you can do to take control of the situation. Here's how to handle some of the most common forms of identity theft.

If an identity thief has stolen your mail for access to new credit cards, bank and credit card statements, pre-approved credit offers and tax information or falsified change-of-address forms, (s)he has committed a crime. Report it to your local postal inspector.

If you discover that an identity thief has changed the billing address on an existing credit card account, close the account. When you open a new account, ask that a password be used before any inquiries or changes can be made on the account.

If you have reason to believe that an identity thief has accessed your bank accounts, checking account or ATM card, close the accounts immediately. When you open new accounts, insist on password-only access. If your checks have been stolen or misused, stop payment. If your ATM card has been lost, stolen or otherwise compromised, cancel the card and get another with a new PIN.

Stay Alert



Taking the steps outlined here should, in most cases, resolve your identity theft problems, but identity theft or related credit problems may reoccur. Stay alert to new instances of identity theft. Notify the company or creditor that's involved immediately. Follow up in writing.

Order a copy of your credit report from the three credit bureaus every year to check on their accuracy and whether they include only those debts and loans you've incurred. This could be very important if you're considering a major purchase, such as a house or a car. A credit bureau may charge you up to \$9.00 for a copy of your report.

Complaint Clearinghouse

If you've been a victim of identity theft, file a complaint with the FTC by contacting the FTC's Identity Theft Hotline by telephone: toll-free 1-877-IDTHEFT (438-4338); TDD: 202-326-2502; by mail: Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580; or online: www.consumer.gov/idtheft. Ask for a copy of ID Theft: When Bad Things Happen to Your Good Name, a free comprehensive consumer guide to help you guard against and recover from identity theft.