



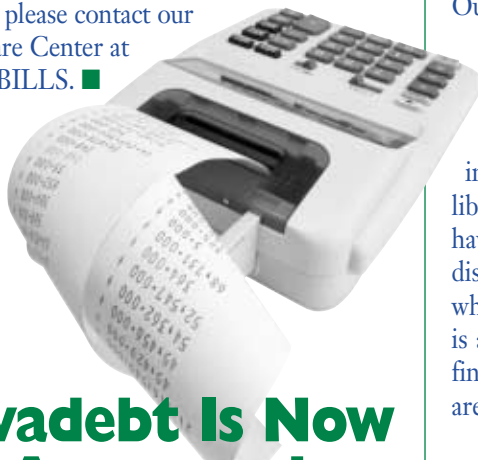
The Penny Pincher

March 2005 A Newsletter from Novadebt A GARDEN STATE CONSUMER CREDIT COUNSELING ORGANIZATION

It's Tax Time!!

Source: Novadebt

Tax Season Is Here!! If you are planning on receiving a refund this year, why not put it towards debt repayment? It will save you time and money. If you are interested in finding out how to send extra funds to your creditors, please contact our Client Care Center at 1-800-77BILLS. ■



Novadebt Is Now An Approved VITA Site

Source: Novadebt

What does your attention turn to during the month of January each year??? Tax filing, of course!! In our continued effort to service those families and individuals in need, a group of approximately 15 Novadebt employees received training from the Internal Revenue Service to support a Volunteer Income Tax Assistance (VITA) center in our Freehold, New Jersey office location. After passing a test for certification, these volunteers are preparing Federal tax returns for those individuals whose gross income for 2004 was less than \$36,000. There is no fee for the service. If you are in the Monmouth or Ocean County area of New Jersey, and meet these qualifications, give our office a call at 1-800-772-4557 to set up an appointment. Preparers will be available on Wednesdays from 10:00 a.m. until 2:00 p.m. and Thursdays from 10:00 a.m. until 7:00 p.m. from now until April 8, 2005. ■

Your Financial Literacy Is The Key For Stability

Source: Becky Winters

Financial Education is the core of Novadebt and is provided at no cost to any individual in need through counseling services, written materials, and workshops. Our agency has a well-established education program that has been in place for several years. Our Director of Education is responsible for ensuring that counselors, consumers, and our clients are made aware of the most current personal financial information. In fact, you probably received information when you originally contacted our agency. Perhaps circumstances have arisen since that time that you may have questions on, or you would like resources to educate yourself on a specific topic. Education brochures with information on a variety of topics are sent to our clients everyday. With a comprehensive library of over 50 referenced topics, there is help on any question or concern you may have. Even the "Budgeting Steps and Tips" guide and expense-tracking booklet, that is distributed to most individuals who initially contact our office, is available at any time you may find a need. Just contact us...we are here to assist you!

Novadebt also provides workshops in collaboration with many organizations and networks with many social service agencies to meet their needs. We work with local rehabilitation centers, Welfare to work programs, Coalition for Affordable Housing, and the United Way (just to name a few). Our agency partners with

New Jersey's Higher Education Student Assistance Authority in providing college students with financial education programs and material. This includes providing on campus workshops for state universities and colleges. Novadebt also serves as a member of the New Jersey Coalition for Financial Education whose mission dictates, "All citizens of New Jersey must have the financial literacy to make informed financial decisions."

Our agency is a sponsor of the New Jersey Financial Literacy Network (NJ FLAN), which is part of the New Jersey Department of Banking and Insurance's comprehensive financial responsibility campaign. This network was developed to better prepare consumers for the expanding role of credit in their lives. NJ FLAN coordinates existing public and private organizations that provide financial educational and resource materials in order to increase consumer access to these programs. You will find resources available for the young and old alike.

Notice a trend in our agency's focus??? As one of our workshop topics illustrates, continuous financial literacy measures are vital to *Take Control of Your Financial Life*. Education is the means to achieve our goal of helping our clients and the community achieve financial stability. So when that question or concern arises, remember to contact us by phone at 1-800-772-4557, by email at education@novadebt.org or visit our website at www.novadebt.org. ■



Dear Novadebt...

Source: A Novadebt Client

"I would just like to express my gratitude to your organization and to one Client Care Specialist in particular named Tanya. I am 23-years old and have been with the program for a little over a year now. I first called on your services when I graduated college and was about to start my new job. I had racked up over \$10,000 in credit card debt while in school and it just overwhelmed me. I felt the only way I could deal with it was to ignore it. Of course, this just made matters worse and it was now time for me to confront the mess. I desperately wanted to rebuild my credit so I could have a shot at the kind of life I had dreamed of for myself while working so hard in school. From day one, the people at Novadebt have eased my anxieties and helped change my view of this task from an impossible nightmare to a totally attainable goal. Every time I have called Novadebt with a question, problem or request, I have been assisted in a friendly, caring and efficient manner. You have guided and encouraged me through every step and I really needed that.

Today I called and spoke with Tanya. I was very upset and she handled my hysteria remarkably well. She was compassionate and understanding and went above and beyond her basic responsibilities to help me out. She called the attorney's office that I was having a problem with and she fought for me. She called me back right away with probably the best news I have received since I found out I got my job. She had found a way to make my problems just disappear. She recognized the efforts on my part in this "war" of trying to make good with my creditors so far, and she offered to take this "battle" off of me and put it onto herself. She fixed the problem for me and eased my despair and anxiety as if she had a magic wand. She did not have to do that, but boy am I grateful. It feels so good to have someone on your side, fighting for you, encouraging you and helping you out when you just can't help yourself.

So thank you so much Novadebt and an extra special thanks to Tanya and the rest of the Client Care Department. Dealing with such caring and committed people is just so comforting. It gives people the hope in turning things around that was once lost. Your compassion and hard work is so spectacular, so rare, and so very appreciated! My experience thus far with Novadebt has been a terrific one and thanks to all of you, I am so proud of how far I've come in paying off my debt and getting closer to attaining my dreams." ■

The Penny Pincher

If you have any comments or suggestions for future newsletters, please write to:

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"The Penny Pincher" does not assume responsibility for any advice given. It is up to the reader to determine if advice is safe and suitable for their own situation.

Fair and Accurate Credit Transactions Act Update

Source: *Becky Winters*

In December 2004, new safeguards were incorporated into the Fair and Accurate Credit Transactions Act. These cover the eligibility of obtaining free credit reports in those states that, up until now, have charged a fee for this service. If you currently reside in a state that charges a fee for obtaining a copy of your credit report, you may contact our office to find out when you will be able to obtain this free of charge. As noted recently in *MSN Money*, the following summarizes some of the other key provisions and consumer protections in the new law, most of which took effect at the end of 2004.

- **UNIFORM CREDIT STANDARDS:** In 1996, Congress set uniform national standards on credit reporting. These standards set clear rules on what credit agencies could include in consumer credit reports. The new law makes these standards permanent.

- **SAFEGUARDING RECEIPTS:** To help ward off identity theft, retailers must hide credit card and debit card information on customer receipts. Only the last five digits of a card number will be listed. As of January 1, 2005, all new cash registers and point-of-sale terminals must print these safeguarded receipts.

- **NEW OPT-OUT RULES:** Consumers will have the right to “opt-out” and block solicitations from affiliates of companies that they do business with.

- **DISCLOSING BAD CREDIT NEWS:** Thanks to this new law, a bank will have to tell you if it reports any negative information about you to the credit bureaus. They will also have to inform you if

it grants you credit at less than favorable terms than those received by most other consumers.

- **REPORTING OF FALSE CREDIT NEWS:** Any debt collector that learns that information on a consumer’s credit report is fraudulent must inform the creditor that the information is false. No retailer or creditor may report credit information to credit bureaus that is known or believed to stem from fraud.



- **MORE POWER FOR IDENTITY-THEFT VICTIMS:** Identity-theft victims who file police reports will be able to block fraudulent information from appearing on the credit reports. Additionally, under the new law, an identity-theft victim will be able to obtain copies of business records that list fraudulent transactions carried out by an identity thief.

- **BEEFED-UP FRAUD ALERTS:** A fraud alert is a statement that is placed on your credit report to alert creditors that your private financial information has been or may be compromised. Identity-theft victims put fraud alerts on their credit files after they learn impostors are ringing up charges in their names. Under the new law,

once a credit bureau receives a fraud alert, it must take steps to ensure that the consumer and not the thief will be granted credit in the future. One phone call will alert all three bureaus.

- **SPECIAL ALERTS FOR THE MILITARY:** Americans in the Armed Forces will be able to place special alerts in their credit files while they are serving overseas to help minimize their chances of becoming victims of identity theft. ■

Interest Free Money

Source: *Sandy Shore*

The title of this article probably caught your eye. You may be disappointed to know that it is not about giving you interest free money, but it could save you money. By now, most of you will have filed your income taxes for 2004. Some of you may feel really good because you are getting a big refund. Maybe you should rethink that.

Most of us pay our income tax through payroll deduction. If you don’t have enough deducted, you will owe money to the IRS. You can adjust your withholding so that it doesn’t happen next year. If you have too much deducted,

you will get a refund. Basically, you gave the government a loan with an interest rate of 0%. That money could have been in your bank account earning interest for you. If you reduce your withholding, you can start a payroll deduction for a savings account for the same balance. You can use that toward establishing an emergency fund, sending your kids to college, or sending yourself on a cruise.

If you are paying interest on debt, you could use that money to pay down your debt and pay less interest. If you will be receiving a \$1,200 refund, changing your withholding would result in a savings of about \$120 per year if you use the extra money to pay down a credit card with an interest rate of 20%. It is very easy to change your withholding...just file a new W-4 with your employer (Your employer should have the form). Or call us...we would be happy to help you with this or with any of your financial concerns. ■

EMP. NO.	LOCATION / DEPT.	SOC. SECURITY NO.	PAY PERIOD	PAY DATE
0,123.86			02/01-02/15	02/15/2005
40.05				
TAXES		DEDUCTIONS		
TYPE	CURRENT	THIS YEAR	CURRENT	THIS YEAR
EXTFED	135.52	406.56	DENCAP	14.55
FED-50	581.51	1,744.53	EQUISA	250.00
FICA	210.05	630.15	INSUR	13.50
MEDI	49.13	147.39	PENS	168.73
NJB-MD	79.60	238.80	PRUD	26.60
SUI	14.34	43.02	TEADUE	41.95
				43.65
				750.00
				40.50
				506.19
				79.80
				125.85

When Is Your Check Not a Check? Electronic Check Conversion

Source: Board of Governors of the Federal Reserve System

Suppose you're at a store making a purchase and decide to pay by check – at least, that's what you believe you're doing. The clerk asks you for a check that is completely filled out, partially filled out, or even blank. The clerk then runs the check through a machine and hands the voided check back to you with your receipt. What just happened? Did you pay by check? Why did the clerk return the check to you? The answer is, you just experienced electronic check conversion.

What is electronic check conversion?

Electronic check conversion is a process where your check is used as a source of information – for the check number, your account number, and the number that identifies your financial institution. The information is then used to make a one-time electronic payment from your account – an electronic fund transfer. The check itself is not the method of payment.

How will I know that my check is being used for electronic check conversion?

When you provide your check, you must be given notice that information from your check will be used to make an electronic payment from your account. The notice is required by the federal law that applies to electronic fund transfers, the Electronic Fund Transfer Act and the Federal Reserve Board's Regulation E. Notice may be provided in different ways. For example, a merchant may post a sign at the register or may give you a written notice that you'll be asked to sign.

What are some of the differences between electronic check conversion and using my check as payment?

- Your electronic transaction may be processed faster than a check. Be sure you have enough money in your account at the time you make the purchase.
- You have different consumer rights with an electronic check conversion transaction than when you use your check as payment. For example, with electronic check conversion, you have the right to an investigation by your financial institution when an error occurs.

What are my rights in electronic conversion transactions?

- You have the right to receive notice when you provide your check telling you that information from the check will be used to make an electronic payment from your account.
- When you provide your check, you have the right to a notice telling you of any fee that the merchant will collect from your account electronically if you do not have enough money in your account to cover the transaction. This fee is similar to a "bounced check" fee.
- You have the right to receive a receipt when you make a purchase at a store. The receipt will contain information about the transaction, including: Date, Amount, Location, and Name of merchant.
- You have the right to have this same information included as part of the regular account statement from your financial institution.

- You have the right to ask your financial institution to investigate any electronic fund transfers from your account that you believe are unauthorized or incorrect.

What should I do if I have a problem with an electronic check conversion transaction?

Always review your regular account statement from your financial institution. You should immediately contact your financial institution if you see a problem. Were you charged the wrong amount? Were you charged twice for the same transaction? You have only 60 days (from the date your statement was sent) to tell the financial institution about the problem. Depending on the circumstances, the financial institution may take up to 45 days from the time you notify it to complete its investigation.

With electronic check conversion, may I use the same check more than once?

No. An electronic check conversion transaction is a one-time electronic payment from your account. If you were to use the same check for more than one transaction and you had a problem with one of the transactions, your financial institution might have difficulty investigating the problem because the same check number would appear more than once on the statement.

Can electronic check conversion occur if I mail a check to pay a bill?

Yes. For example, let's assume that each time you get your insurance bill there is a notice. It tells you that when you mail a check, information from that check will be used to make an electronic payment from your account. If you then send a check, you have agreed to electronic check conversion. Unlike what happens when you make a purchase at a store, however, you won't receive a receipt. Your check won't be returned to you with your account statement from your financial institution because the transaction was processed as an electronic fund transfer, not as a check transaction. As with electronic check conversions in stores, be sure you have enough money in your account when you mail your check, keep records on your payments, and check your account statements from your financial institution to make sure the amounts charged are correct.

What if I don't want my check to be used for electronic check conversion?

If you don't want your check to be used for electronic check conversion, you may have to provide another form of payment (for example, cash, debit card, or credit card).

Where can I get more information?

Contact your financial institution directly.



Where can I file a complaint?

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Ave., NW
Washington, DC 20580
877-FTC-HELP – toll free (877-382-4357)
www.ftc.gov

Please also send a copy of your complaint to:

Board of Governors of the Federal Reserve System
Division of Consumer and Community Affairs
Washington, DC 20551
202-452-3693
www.federalreserve.gov

For information on state laws that may apply to electronic check conversion, contact your state's consumer protection agency or attorney general's office.

Remember...

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 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 on my purchase?
- Was my check returned to me and voided?

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. ■

House Cleaning With Safer Alternatives

Source: <http://allergies.about.com>

A thorough house cleaning is a time consuming task that is necessary to create a healthy home environment that is less allergenic. How do you tackle such a gigantic task? It is simple. Tackle one room at a time and don't plan to get it all done in one day.

Quite often the chemicals from commercial cleaning supplies can aggravate your allergies. Did you know that basic household ingredients can produce the same results? Here is a sampling of how certain household ingredients can aid in cleaning. Keep in mind that some people with allergies cannot tolerate the smell of ammonia or bleach.

- Ammonia – cuts grease, strips the wax off floors, and cleans windows
- Baking soda – cleans, deodorizes, scours, polishes, and removes stains
- Bleach – whitens practically anything and removes mold and mildew
- Borax (alternative for bleach) – deodorizes, prevents mold, removes stains, and boosts the cleaning power of soap
- Cornstarch – cleans and deodorizes carpets and rugs
- Ketchup – cleans copper
- Lemon juice – cuts grease and stains on aluminum and porcelain, whitens
- Salt – makes an abrasive, but gentle, scouring powder
- Vegetable oil – a furniture polish
- Washing soda – cuts grease and disinfects
- White vinegar – cleans windows, shines metal surfaces, removes mildew, stains, grease, and wax buildup



Sometimes combining some of the above ingredients creates better cleaners, but remember to **NEVER MIX BLEACH AND AMMONIA TOGETHER.**

- Ceramic tile cleaner – use a combination of 1/4 cup baking soda, 1/2 cup white vinegar, one gallon warm water, and one cup ammonia.
- Furniture polish – combine 1 teaspoon lemon juice with one pint mineral or vegetable oil.
- Mold growth prohibitor – dilute 3/4 cup chlorine bleach in 1 gallon of water and apply to affected areas or apply full-strength white vinegar.
- Oven cleaner – fill a small glass bowl with 1/2 cup full-strength ammonia, place in oven and close. Let stand overnight.
- Painted wall and woodwork cleaner – combine 1/4 cup ammonia with 1 gallon warm water OR combine 1/4 cup liquid dish detergent with 1gallon water.
- Scouring powder – combine baking soda with a touch of salt.
- Toilet bowl cleaner – combine baking soda and vinegar or use 1/2 cup chlorine bleach.
- Window or mirror cleaner – Combine 3 Tablespoons ammonia, 1 Tablespoon white vinegar and 3/4 cups of water or 1/4 cup white vinegar and 1 quart of water. Wipe dry with newspaper. ■

Money Quotes:

Advice from Sages including Benjamin Franklin and Mark Twain

Source: www.alwaysfrugal.com

“

Money, says the proverb, makes money. When you have got a little, it is often easy to get more. The great difficulty is to get that little.

”

Adam Smith

- The most substantial people are the most frugal, and make the least show, and live at the least expense. ~ *Francis Moore*
- Wealth consists not in having great possessions but in having few wants. ~ *Epicurus*
- Virtue has never been as respectable as money. ~ *Mark Twain*
- Never keep up with the Joneses. Drag them down to your level. It's cheaper. ~ *Quentin Crisp*
- I finally know what distinguishes men from other beasts: financial worries. ~ *Jules Renard*
- Never invest money in anything that eats or needs repairing. ~ *Billy Rose*
- Money is like a sixth sense without which you cannot make a complete use of the other five. ~ *W. Somerset Maugham*
- A billion here, a billion there and pretty soon you are talking real money. ~ *Everett Dirksen*
- “Money isn't everything,” according to those who have it. ~ *Malcolm Forbes*
- There was a time when a fool and his money were soon parted, but now it happens to everybody. ~ *Adlai E. Stevenson*
- Right now I have enough money to last me the rest of my life – unless I buy something. ~ *Jackie Mason*

- When I was young I thought money was the most important thing in life. Now that I'm old – I know it is. ~ *Oscar Wilde*
- Great spenders are bad lenders. ~ *Benjamin Franklin*
- Anyone who says money doesn't buy happiness doesn't know where to shop. ~ *Anonymous*
- Frugality is founded on the principal that all riches have limits. ~ *Edmund Burke*
- If you have no money, be polite. ~ *Danish Proverb*
- Frugality includes all other virtues. ~ *Cicero*
- Rich or poor, it's good to have money. ~ *Sid Lance*
- He that is without money is a bird without wings. ~ *Thomas Fuller*
- People who believe that money can do anything can be expected to do anything for money. ~ *Sydney L. Harris*
- With money in your pocket, you are wise and you are handsome and you sing well too. ~ *Yiddish Proverb*
- How to have your cake and eat it: Lend it out at interest. ~ *Unknown* ■

“

The safest way to double your money is to fold it over once and put it in your pocket.

”

Kim Hubbard

To Clip or Not to Clip: That Is the Question

Source: *American Center for Credit Education*

Like many consumers, you may think clipping coupons requires too much time and effort when the result is only a few cents saved here and there. However, even a little savings can add up. Consider that the average family of two spends roughly \$4,366 a year on food and a family of four spends \$6,280 annually. Coupon users report saving on average of 11.5% on their grocery bills, which means that a family of four can save over \$700 a year – hardly chump change.

To maximize your savings, consider the following:

- Manufacturers distribute coupons as a means of getting you to buy their products. Clip coupons only for those products you intend to use; in other words, avoid buying something just because it's a good deal. Buy store brands when the item is cheaper than a brand-name item with a coupon.
- Up to 35% of manufacturers only send coupons upon request. If you favor a particular product and are unable to track down coupons, you might consider calling the manufacturer to request that they send coupons directly to you.
- Scour the Sunday newspaper, magazines, grocery store shelves, and the Internet for valuable coupons. A number of websites offer printable coupons in a range of categories, including grocery, baby, pet, and beauty items. Visit www.coupons.com, www.ecoupons.com, and www.coolsavings.com in your search for coupons. You may also want to check out www.smartsource.com, which posts 30 coupons on its website weekly and will also send you coupons directly to you via e-mail.
- Always carefully check prices, reading signs near store products. Many supermarkets have special days where they offer savings of double or triple the coupon value. On a triple coupon day, for example, a coupon worth 50 cents off equals \$1.50 in savings. ■



Energy Saving Tips for the Kitchen

Source: *www.blueflamegas.net*

- Cook with gas. A gas range can cost significantly less to use than an electric range.
- Select a gas range with electronic pilotless ignition, this can use 40% less energy than a range with a standing pilot light.
- Check the seal on your oven door. Gaps or tears in the seal let heat escape, wasting energy.
- When cooking, use copper-bottomed cookware. They can heat up quicker and more evenly than regular pans.
- Always cook with lids on your cookware. Boiling spaghetti without a lid can use three times as much energy.
- Set the temperature in your refrigerator at 40 degrees, and your freezer around 5 degrees. A refrigerator set at 10 degrees colder than 40 can use 25% more electricity.
- Don't lay foil on the oven racks. Food cooks more quickly and efficiently in ovens when air can circulate freely. ■



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NOVADEBT

A GARDEN STATE CONSUMER CREDIT COUNSELING ORGANIZATION

225 WILLOWBROOK ROAD

FREEHOLD, NJ 07728



1-800-99-BILLS

You Can Get Out Of Debt !

If you are not already receiving NOVADEBT's **FREE** newsletter, The Penny Pincher...

Please fill out the following form and return to:

Novadebt Newsletter, 225 Willowbrook Road, Freehold, NJ 07728 .

NAME: _____

STREET: _____

CITY: _____ STATE: _____ ZIP: _____

E-MAIL ADDRESS: _____

Please send me all future issues of **The Penny Pincher**

...or e-mail us at Newsletter@Novadebt.org