

BUYING A CAR

Buying a car one of the most costly and difficult decisions a consumer can make.

Take the time to research the make, model and year of the car you would like to buy and know what you can afford along with maintenance costs. The U.S. Department of Transportation's Auto Safety Hotline (1-800-424-9393) also gives information on recalls.

DO YOUR HOMEWORK

- Ask family or friends about their experiences buying vehicles.
- Check with the Better Business Bureau to see if there are complaints against a dealer.
- Know what you want and what it should cost.
- Use a library or the Internet to get an idea of price ranges and options.
- Calculate exactly how much you can afford and figure out monthly payments that fit your budget.
- Arrange vehicle financing with your bank or credit union before you go shopping for a car, so you can have several financing options.

USED CARS

- If you buy from a dealer, request a vehicle-history report on a used car.
- Have a trusted mechanic inspect the used vehicle before you buy.

LEMON LAWS

- Check with your State Attorney General's Office for details on "lemon laws".

NEGOTIATING THE DEAL

- **Everything is negotiable** – no matter what the salesperson says.
- **Never** buy a car in a hurry.
- Make buying your new car, selling your old car, and financing your new car three separate transactions.
- **Always** make the dealer's invoice price the starting point for your negotiations. Do not start with the car's MSRP.
- **Sales people** are not your friends. Most are paid on a commission basis, so the more you spend, the more they make.
- Take someone with you. He or she may spot a hidden cost or potential fee that you miss.
- Ask for the dealer's best price up-front. Tell the salesperson you will buy from the dealer that gives you the best price.
- Be cautious about purchasing aftermarket add-ons or treatments offered by the dealer. Some add-ons are unnecessary or are significantly overpriced.
- Negotiate on an "out-the-door" basis. Ask for the dealer's **total** price, including everything except sales tax and registration and title fees.

CLOSING THE DEAL

- **Always be prepared to walk away.** It's your ultimate weapon.
- **Take** 24 hours to think about the deal before signing the contract.
- Make sure **ALL** promises made by the salesperson or dealership are in writing. Do not sign any contract unless you have the written guarantee.
- Review all documents and understand all terms before signing.
- If a contract has terms substantially different from those the salesperson initially promised, do not sign the contract unless you are willing to accept the new terms.

- **DO NOT** allow a salesperson to put false information, such as a higher salary, on any forms. **If something goes wrong, you could be held accountable.**
- Do not sign any forms that have blank spaces. Draw a line through all blanks on documents you sign.
- Do **NOT** take home a new or used car before financing is approved. This practice is called "spot delivery" and is designed to "lock you in" to a purchase.
- **Never** buy life insurance or disability insurance from a dealer without comparison shopping with an insurance agent first.
- Negotiate the car price first then negotiate the monthly payment amount. Otherwise, you may end up with a reasonable monthly payment, but with a longer term and/or a higher interest rate.
- Always ask the dealer if the interest rate being offered is the lowest rate available, and compare it to other dealerships.

INTERNATIONAL DRIVER'S LICENSES

Don't let a fake international driver's license take you down the wrong road. Watch out for businesses in your community or on the Internet that sell "International Driver's Licenses" (IDL) or "International Driving Permits" (IDP).

An IDL or IDP is not a substitute for a driver's license, and you could face arrest if you are stopped by a law-enforcement officer.

Fake IDLs or IDPs will not:

- allow you to drive legally in the U.S. if your license is suspended, revoked, or expired;
- allow you to avoid points or fines on your state-issued driver's license; or
- serve as a legal form of photo identification in any part of the United States.

However, an authentic IDP will allow you to drive in certain foreign countries if you already have a valid driver's license from your native country.

A real IDP costs approximately \$10 and is a simple booklet that translates your valid state-issued driver's license into a different language. It can be purchased only from the [American Automobile Association \(AAA\)](#) -- check your local telephone directory for the number --- or the [American Automobile Touring Alliance](#) --- (650) 294-7000.

Many of these fake IDL or IDP scams target members of Latino or Spanish-speaking communities. If you think you have been a victim of this scam, contact your state attorney general at www.naag.org or the U.S. Federal Trade Commission (FTC) at www.ftc.gov or call toll-free 1-877-FTC-HELP (1-877-382-4357); TTY 1-866-653-4261.

#

HOME REPAIRS

For most consumers, their home is the largest single investment they will ever make. Therefore be very careful whom you choose to repair or remodel your home.

Finding a Reputable Contractor

The best sources for finding a reputable contractor will be your friends and family.

Get several estimates in writing. Be as specific as possible about the job you want the contractor to do.

You should also ask the contractor and local government officials whether certain permits will be required before work is begun.

Ask the contractor to show you proof of insurance and, if necessary, whether he is bonded. You should also contact your homeowner's insurance company to find out if your policy has any special requirements regarding repairs to your home.

Watch Out for Scams

Take your time. Be extremely wary of contractors who try to pressure you into making an immediate decision, who insist you pay them in cash, and who are not from your community.

A common scam involves traveling contractors who say that they were doing work in your area, find themselves with leftover materials and present you with a very low offer to do repair work. Often, they will disappear after asking for payment in advance.

These types of "traveling" home-repair scams are especially common after an area has been devastated by a natural disaster. If your home has been damaged by a natural disaster, take the time to find a reputable local contractor.

When you find a contractor who suits you, do not pay the full amount in advance. Reputable contractors will agree to be paid as the job progresses, with the final payment held until the job is completed to your satisfaction.

Do not sign any document you do not understand or that has spaces left blank. Also, do not sign a certificate of completion until you are satisfied with the work done.

If the repair is substantial, it might be a good idea to also contract an independent inspector to ensure that the work was done properly.

Also, remember that it is important to live up to your end of the agreement. If you fail to pay, the contractor could sue you and/or place a lien on your property.

WORK-AT- HOME SCHEMES

Your dream of working from your own home may turn into a nightmare if you fall victim to a "work-at-home" scheme.

WHAT IS A WORK-AT- HOME SCHEME?

Have you seen the ads in the newspaper or posted on utility poles or even the Internet that offer the following:

- "Work from home!"
- "No experience necessary!"

What the advertisers are not telling you may include these realities:

- "Send us your money first for necessary equipment."
- "Spend your own money on ads and postage."

- “You pay for copies and supplies.”

CLASSIC WORK-AT-HOME SCHEMES

Medical Billing

The come-on will claim that medical professionals want to out-source billing electronically, and that you can provide that important service from your own home. The con artists do not tell you that you are the person who must sell your services to medical professionals and competition is fierce. You are unlikely to even recoup your investment.

Envelope Stuffing

What could be easier? Unfortunately, you won't get any information until you pay a fee. When your money is gone, you will be advised to use the same scam on others. You may be expected to advertise or recruit friends to send you money so you can teach them the scheme.

Legitimate businesses use machines to stuff envelopes – not home-based people.

Assembly or Craft Work

Of course, **you** must purchase the materials and equipment to produce craft items. After many hours of work, it is likely that you will not be paid. In fact, you may be told that the quality of your work is too poor to market. But your money will already be gone.

HOW CAN I PROTECT MYSELF?

Ask these questions:

- ✓ What does the job include?
- ✓ Do I have to invest my own money?
- ✓ What do I get for my money?
- ✓ Who pays me and when?
- ✓ Will I be paid a salary or hourly wage or commission?

Contact the Better Business Bureau or your state attorney general to see whether complaints have been filed. Remember, it is easier to avoid a scam than to recover your losses.

WHO CAN I CONTACT IF I AM A VICTIM OF A WORK-AT-HOME SCHEME?

- Your state consumer-protection agency;
- The Federal Trade Commission at 1-877-382-4357, or go to www.ftc.gov;
- The U.S. Postal Inspection Service at www.usps.gov/postalinspectors;
- Your local Better Business Bureau, or go to www.bbb.org.

MORTGAGE FRAUD

Increasingly, Hispanic consumers are seeing their life savings disappear as a result of fraudulent home purchases.

Know the Basics

As a buyer, you may want to make sure the following people are involved:

Finance Institution - This can be your local bank or a mortgage broker. Even though sellers may offer to finance the home for you, it is a good idea to contact a finance institution and be pre-approved for a loan.

Appraiser - Insist that an independent appraiser inspect the home and assess its fair market value to make sure that the home is worth the asking price. Under federal appraisal guidelines, the lender must initiate the appraisal process.

Home Inspector - Like an appraiser, the home inspector should be an independent party. Banks and mortgage companies will generally insist on an independent inspection. The inspector can find problems that should be disclosed to the buyer and any structural problems.

Title Company - The title company conducts a thorough legal investigation into previous owners of the property. Specifically, the title agent will find out if there are any pending debts on the home for which the new buyer will be held responsible. Fraudulent sellers persuade consumers not to contact a title company since it might reveal considerable liens, sometimes in excess of the value of the home itself, which the consumers would have to pay.

In another common scam, the same property is sold at the same time to multiple buyers. By the time the consumers realize what happened, the fraudulent seller has disappeared. Contacting a title company will help avoid this scam.

Buyers should carefully review each document and NEVER sign a home-purchase document you do not fully understand or that has blank spaces.

You might also want to contact someone at your bank for additional information about the home purchase process.

Insurance, Property Taxes, and Other Fees - Some consumers have discovered that they are liable for large tax bills only after they have been living in their homes several months. Don't be fooled by new homes with low property taxes. Those taxes could be the amount assessed on an empty lot before your home was built. After the first year, those taxes will be considerably more. Contact your local taxing authority to get an idea of how much your taxes will be after that first year.

Do not give substantial sums of money before the deal is finalized. Unethical mortgage brokers or sellers may ask for thousands of dollars in advance to "guarantee" a loan and then disappear with the money without providing the promised financing. If a seller or mortgage company tries to pressure you to pay a significant percentage of the purchase price before all the inspections and title search have taken place, you might consider purchasing a home elsewhere.

###

CHARITABLE GIVING

Legitimate charities in the United States greatly depend on the public's generosity. However, you should be cautious, take the time and do the necessary research, and be aware of the signs of a potential scam before donating to any cause.

Be Well-Informed

Before you make a donation, you should ask for the charity's mission statement, annual report, and any other relevant written information. Find out what percentage of your donation will go toward the specific goals that interest you. While it is reasonable for part of the donations to be used for office space, supplies, staff salaries, and other expenses, be wary of any group that uses an unusually large percentage of its income to cover salaries.

It is important to remember that most states require charities to register with authorities. Before making a contribution to a non-profit agency, contact your state Attorney General for information. The Internal Revenue Service (IRS) can also confirm whether an organization has registered as a non-profit.

If your donation is substantial, or if you plan to will money to a charitable organization, it is a good idea to discuss your donation with an accountant or an attorney.

Signs of a Scam

- Use high pressure tactics.
- Call or knock on your door unexpectedly to solicit money
- Insist that you donate cash or write a check made out to an individual.
- Agree to come to your home to pick up your donation or insist you use a private overnight courier to send your payment.
- Requests for donations that arrive via e-mail
- Organizations with names that are very similar, but not identical to, those of well-established charities.

Telecommunications Fraud

Long-Distance Cards

If you need a long distance calling card comparison shop for the best rates and fees or surcharges. If you have a problem, report it to your Attorney General.

When you buy a card:

- Read the fine print about minimum minutes used per call;
- At first, buy cards in small increments to see how you like the service;
- Find out about expiration dates for a card.

Toll Fraud

Toll fraud occurs when someone charges long-distance calls to your number without your knowledge or permission. Protect your calling-cards carefully, and report a stolen card right away.

You may receive a call from someone pretending to be from a phone company or from a government agency claiming to be investigating a phone problem and asking you to accept charges for a call. No legitimate company or agency will ask you to do this. Hang up immediately.

Slamming

"Slamming" occurs when your long-distance telephone service is switched to another company without your permission. It can occur when you receive a check in the mail, or enter a contest, not realizing that the fine print says that by endorsing the check or signing the entry form you have agreed to change your phone service. Another tactic is to call a consumer offering lower rates and, even though that person didn't agree to anything, they later find out that their long-distance service has been switched.

Review your phone bill carefully every month. If a different long-distance company is listed, call your local phone company to find out how to have it switched back with no fee and how to be re-billed at your original long-distance company's rates.

Cramming

"Cramming" occurs when monthly charges appear on your telephone bill for optional services that you never authorized. Cramming can occur when you fill out a contest entry form or call a 900 number. And in some instances, the crammer may simply choose your phone number randomly and place charges on your bill through your local telephone company, claiming that you agreed to purchase the services.

When looking at your monthly bill, you should see charges for optional services itemized with the name of the company providing them and the toll-free number. If you did not authorize the services, call that number and insist that service be canceled and the charges removed from your bill.

Pay Telephones

Not all pay phones charge the same rates and may offer long-distance service through various companies. There should be information on or near the phone that explains how to get the service provider's rate for the call and that you have the right to be connected to the long-distance company of your choice. If rate information is not provided or you are blocked from accessing another company, report it to your state public-utility department or contact your Attorney General.

"Toll-Free" 800 Numbers

Not all of these numbers really are "toll-free." Many people are tricked into being charged for 800, 866 or 877 numbers by following instructions to dial "personal activation codes" that are really access codes linking them to "pay-per-call" numbers, or by other means. You can contest improper 800-number charges by contacting the billing company.

DOOR TO DOOR SALES

Hispanics are often targeted by unscrupulous door-to-door salespeople who misrepresent the products they are selling.

Watch Out for Tricks

Be suspicious of anyone who uses emotional tactics to produce a sale. Many Hispanic parents have been pressured into purchasing costly computers for their children by salespeople who told them that their child would fall behind in school if the family did not buy the computer.

Be suspicious of salespeople who tell you they are selling their services or products at the lowest price possible or who tell you that their competitors do poor-quality work.

If you buy from a reputable, local business, you can always take the product back. If you buy from a fly-by-night seller, chances are you'll never see the salesman or your money again.

Canceling a Sale

Before buying anything from a door-to-door salesperson, get all terms of the sale in writing and ask the seller to come back another day after you have had plenty of time to review the materials. If the seller insists that the offer will only be good that day, that is a sure sign of a scam. You may want to report this incident to your local police department if you believe the person is preying on others in your neighborhood.

If you are indeed interested in what is being offered, then review all written materials carefully and on your own time. Contact your state's Attorney General to find out the law in your state concerning door-to-door sales. Some states require the seller to give you a cancellation policy in writing for any sale negotiated in your home over a certain dollar amount. Also, some states have laws that require documents related to the sale to be in Spanish if the sale was negotiated in that language.

You should also get the refund policy in writing and know the physical location of the company with which you are dealing. Be wary of any company that only uses P.O. boxes. You should also call your state's Attorney General and other consumer-protection agencies, such as the Better Business Bureau, to find out if there are complaints against a specific company.

NEVER sign any document with blank spaces. And NEVER sign any document you do not fully understand. Remember, if you are not interested, you have every right to say "no."