



Real Money

advice from the experts

Kansas City, Kansas Public Library

Know your money rights

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Whether you're applying for new credit or trying to crawl out from under old debt, you have rights. And, it pays to know them.

For instance, did you know that when you apply for credit, creditors cannot:

- take into account whether or not you have a telephone listed in your name
- ask you about your gender, race, national origin or religion
- discriminate against you on the basis of your age
- ask about your marital status if you apply for individual, unsecured credit

- give you less credit or less favorable terms than someone with your same financial information just because you are receiving public assistance

Debt collectors are also governed by laws that protect you. For instance, debt collectors may not:

- contact your employer about your debt
- call you at work if your employer does not want you to be called there
- call you before 8 am or after 9 pm, or call repeatedly within a short period of time



- contact your neighbors, relatives or friends for information about you
- threaten to ruin your reputation, to harm you or your property, or to send you to jail if you don't pay

Howard Dvorkin, author of *Credit Hell: How to Dig Out of Debt*, lists these and other rights you may not know about. Check it out.

Stop fighting over money

Do you love him, but not his credit card debt? Does her failure to record checks drive you crazy?

Three out of four couples divorced by age 30 cite financial problems as the primary cause of their divorce. A third of married couples say money is their number one issue.

Stop fighting and check out these books:

Couple's guide to love & money

Debt-proof your marriage : how to achieve financial harmony

Family CFO : the couple's business plan for love and money

For richer, not poorer : the money book for couples



Motley Fool's guide to couples & cash : how to handle money with your honey

Our money, ourselves for couples : a new way of relating to money



Beware the pitch: if it sounds too good to be true, it probably is.

Get the most for your money

Amazing diet patch! Free seven day trial. You pay only \$2.95 for shipping and handling. Sound great?

Mara thought so. She sent off for the patches and used them as instructed. She lost big time—a grand total of \$169.95 that was withdrawn from her checking account without her authorization. To add insult to injury, the patches didn't work.

Mara was the victim of a scam. Unfortunately, she is not alone.

Each year, Americans lose billions of their hard earned dollars on scams, from phony weight loss products to get-rich-quick schemes. And, they get nothing in return.

To get the most for your money, you need to be a smart consumer. As Elisabeth Leamy, author of *The Savvy Consumer*, puts it, "you need to be the hunter, not the hunted."

In other words, "don't do business with companies that come looking for you. When you

need something, conduct your own search and do business with companies you seek out."

For more tips on getting the most for your money, check out *The Savvy Consumer*, or any of these books:

Michael Finney's consumer confidential: the money-saving secrets they don't want you to know

Savvy discounts: the best money-saving advice from America's #1 cost-conscious consumer

Teen consumer smarts: shop, save, and steer clear of scams

From repos to lottos: answers to money questions

Help!

My car is about to be repo'd. What should I do?

My husband just left me. How do I protect my credit?

My medical bills are piling up, and I don't have insurance. Is bankruptcy the answer?

I cosigned on a loan. How do I get out of it?

Tough questions.

Luckily, personal money management expert Dave Ramsey has a lot of answers. And, he shares them in his new book, *The Money Answer Book: Quick Answers to Your Everyday Financial Questions*.

Ramsey has experienced the full range of money issues through good times and bad.

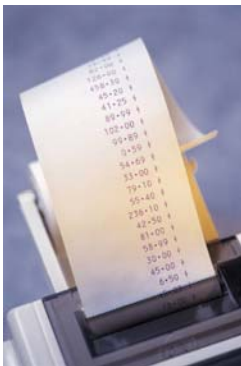
He amassed \$4 million in real estate by age 26, and lost it all by age 30. He rebuilt his financial life, and now offers money management advice to others.

For instance, Ramsey explains how to make a budget when your income is not steady. He even has advice on what to do if you win the lottery.

To learn more, check out *The Money Answer Book*.

Debt is dumb, and credit destroys. But you don't have to fall into the traps.

-Dave Ramsey



Saving just \$2.74 a day (a cup of gourmet coffee) will add up to \$1,000 a year.

Small savings, big results

Experts tell us that small changes in our lifestyle can make a big difference in our health. You don't have to train for a marathon. Just take the stairs instead of the elevator.

According to Ellie Kay, author of *The Debt Diet*, it's the same way with money issues. Small changes can lead to big results.

For instance, did you know that:

- paying just \$5 more than the minimum on your credit card bill will improve your credit history
- throwing your change into a jar and adding just a few dollars here and there

could easily add up to \$100 a month

- investing \$25 a month in a savings bond could earn you more interest than CDs or even some stocks

For more tips, check out *The Debt Diet* by Ellie Key.

Live the American dream

Nearly five million families in the United States do it every year. They buy new and existing houses, and join the ranks of those who have realized the American dream of owning their own home.

You can do it, too.

According to Alphonso Jackson, Secretary of Housing and Urban Development (HUD), "more American families own their homes today than at any time in our nation's history."

Today, according to Jackson, "75 million Americans are homeowners, and minority homeownership is at an all-time high."

However, buying a home can be a bewildering experience if you are not prepared. There are strange new terms to learn, like escrow and points and ARM and APR.

Even to those who have done their homework, the paperwork involved can be overwhelming.

Fortunately, you are not alone. There are agencies and programs and classes to help you get through the process. There are also books that can help:

Buying solo : the single woman's guide to buying a first home

How to buy a home without getting hammered

How to buy your first home

No credit required : how to buy a house when you don't qualify for a mortgage

Tips and traps when buying a home



Minority homeownership is at an all-time high.

Make your paycheck last

To Harold Moe, it just didn't add up.

"Many years ago, as a newly hired airline copilot, I asked seasoned captains for their financial advice. What I heard didn't make sense. Why were so many of these well-paid pilots broke nearly every pay day? They earned a lot of money..."

It doesn't matter how much you earn, it can be hard to make a paycheck last.

In fact, according to credit counselors, the number one reason people seek their services is not lack of money.

It's lack of a budget.

So, Harold Moe wrote a best-selling book called *Make Your*

Paycheck Last., that can help you get your money under control. And, there are other books that can help:

Budget kit : the common cents money management workbook

Everything money book : learn how to manage, budget, save

Guide to money management skills for the unemployed

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

-Frank Hubbard

Finally! Free credit reports

Web sites have been advertising free credit reports for years. But, when you tried to get one, there were always strings attached.

You had to have a credit card to sign up for a "free trial offer" for some service you didn't want. And, after the trial ended, the bills would start.

Not anymore!

Now, thanks to a new law, you are entitled to one free credit report every year. And, you can get it instantly online at www.annualcreditreport.com.

Of course, you're still entitled to a free credit report anytime you are denied credit based on your report.

Money experts urge you to know what's on your credit report. To learn more, check out one of these books:

Credit scores, credit cards : how consumer finance works: how to avoid mistakes and how to manage your accounts well

Your credit score : how to fix, improve, and protect the 3-digit number that shapes your future



Free Annual Credit Reports available in my State
 An annual free credit report is determined by your state based on the rollout schedule set by federal law. Look for more information when a free credit report becomes available in your state.

For your free credit report go to www.annualcreditreport.com.

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On the trail of free money

If you've ever had insomnia, you've probably seen the infomercials. A funny man in a suit covered with question marks pitches his book on how to find free money that the government is just giving away.

Before you run out and pay \$40 for the book, however, consider a report released by the New York State Consumer Protection Board (CPB).

According to the web site, ConsumerAffairs.com, the report accuses Lesko's ads and book of being "peppered with exaggerations and half-truths about government grants."



Lesko claims that "the federal government has more than \$350 billion in 'hidden money' that ordinary people can use to pay their credit-card bills and get out of debt."

"That claim is simply not true," according to CPB Chairman and Executive Director Teresa A. Santiago

"Privately, this company admits there is no 'free money to pay your bills' despite advertising contrary information on radio, late-night TV and Internet advertising.

This myth has helped to create a growing industry of books, tapes, web sites and, unfortunately, many, many scam artists who say they can help consumers find 'hidden money' from the government."

If you still want to read Lesko's book, save your \$40 and check it out from the library.

Real Money is produced by Terri Stines, Community Services Librarian at the Main Library. Call (913) 279-2064 for more information.

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