

Consumer Alert

Providing consumers with knowledge to make informed choices and decisions.



Practice these tips for safe online shopping this holiday season

While the holiday season is upon us not everyone is in the spirit of the season. The South Carolina Department of Consumer Affairs urges you to keep these helpful hints in mind when doing online shopping this holiday season.

Know who you are dealing with. Confirm the online seller's physical address and phone number in case you have questions or problems. If you get an e-mail or pop-up message that asks for personal or financial information, never reply or click on the link in the message. Legitimate companies do not ask for this information via e-mail.

Know exactly what you are buying. Read the seller's description of the product closely, especially the fine print. Words like "refurbished," "vintage," or "close-out" may indicate that the product is in less-than-mint condition, while name brand items with "too-good-to-be-true" prices could be counterfeits.

Know what it will cost. Check out websites that offer price comparisons. Don't forget to factor shipping and handling — along with your needs and budget — into the total cost of the order.

Use a credit card whenever possible. If you cannot pay with a credit card use a check or money order. Never send cash under any circumstances.

Check out the terms of the deal, like refund policies and delivery dates. Make sure you understand the seller's return and refund policies. Find out when

you can expect to receive your order. Sellers are required to ship items as promised or within 30 days after the order date if no specific date is promised.

Keep a paper trail. Print and save records of your online transactions, including the product description and price, the online receipt, and copies of correspondence with the seller. Read your credit card statements as you receive them and be on the lookout for unauthorized charges.

Never e-mail your personal information. E-mail is not a secure method of transmitting financial information like your credit card, checking



account, or Social Security number. If you want to pay for something online through an organization's website, look for indicators that the site is secure, like a lock icon on the browser's status bar or a URL that begins "https:" (the "s" stands for secure).

Check the privacy policy. The website should let you know what
(Online Shopping Continued on back)

Ho-Ho-Hold on!

Make sure you get charged the right price this Christmas

Retailers say scanner technology has several advantages: speeding checkout time, lowering labor costs, and improving sales and inventory records. They also say that scanning results in fewer pricing errors than manual entry.

Electronic scanning is not foolproof. The reasons: human error or oversight, poor pricing practices, or poor management. Although the UPC symbol has replaced the traditional readable price tag, it's still possible for consumers to spot pricing errors at the register. Here's how:

- Watch the display screen for prices. If you think you're being overcharged,

speak up. Ask about the store's policy on pricing errors, and ask the cashier to make the adjustment before you pay.

- Bring a copy of the store's flyer or newspaper ad to the checkout counter.
- Consider jotting down prices or special sales as you make your way through the store.

- Check your receipt before you walk away. If you notice an error, ask the cashier to adjust the total. If you've already left the cashier's lane, see the store or department manager or the customer service department to correct any mistakes.



Everything you need to know about...



Private Mortgage Insurance

Private Mortgage Insurance (PMI) is often a requirement in cases where less than 20 percent of the home mortgage has been paid. PMI is meant to protect the lender in case of default, but also to help borrowers who cannot afford a large down payment on a home.

The Homeowners Protection Act of 1998 establishes rules for automatic termination and borrower cancellation of PMI on home mortgages. PMI is automatically terminated when you reach 22 percent equity in your home based on the original property value, if your mortgage payments are current, and you signed your home mortgage on or after July 29, 1999. Your PMI can also be canceled at your request, with certain exceptions, once you reach 20 percent equity in your home.

There are exceptions, such as "high-risk" loans or if you have not been current on your payments within the year

prior to the time for termination or cancellation. Another exception is if you have a lien on your property. In these instances your PMI may continue, though you should ask your lender or mortgage servicer for more information.

If your mortgage was signed before that date you can ask to have the PMI canceled once you have exceeded 20 percent equity in your home. However, federal law does not require your lender or mortgage servicer to cancel this requirement.

How much is PMI costing you? On a \$100,000 loan with 10 percent down (\$10,000), PMI might cost you \$40 a month. If you can cancel the PMI, you can save \$480 a year and many thousands of dollars over the loan. You should call your lender or check your statement to find out exactly how much PMI is costing you each year.

If you signed your mortgage before July 29, 1999, you can ask to have the PMI

canceled once you exceed 20 percent equity in your home. But federal law does not require your lender or mortgage servicer to cancel the insurance.

Additional things to know about PMI

- New borrowers covered by the law must be told - at closing and once a year - about PMI termination and cancellation.
- Mortgage servicers must provide a telephone number for all their mortgage borrowers to call for information about termination and cancellation of PMI.
- Even though the law's termination and cancellation rights do not cover loans that were signed before July 29, 1999, or loans with lender-paid PMI signed on any date, lenders or mortgage servicers must tell borrowers about the termination or cancellation rights they may otherwise have under those loans (such as rights established by the contract or state law).

Got Questions?? Ask Consumer Affairs

Think you have been a victim of a scam or just need general information about fraud protection?

Then log on to Ask Consumer Affairs, an interactive forum that provides you with great consumer information. Visit the South Carolina Department of Consumer Affairs website at www.sconsumer.gov and click on LIVE HELP.

A communication specialist is there to assist you with any questions you may have Monday through Friday from 8:30 a.m. until 5:00 p.m. Or you can always reach us by phone at 803.734.4200 or toll free in S.C. at 1.800.922.1594.

The SCDCA is located at 3600 Forest Drive, on the corner of Forest Drive and Beltline Blvd., directly across from Richland Fashion Mall.

Know an exemplary consumer advocate? Nominate them!

The deadline for nominations for the 2007 Consumer Spirit Awards has been extended.

The annual awards are given to persons and organizations that have demonstrated exemplary concern for consumers through informative services, advocacy programs, investigation of consumer issues, or through legislation.

A nomination application must be received by SCDCA via e-mail or mail by 5 p.m. on January 29, 2006.

The Consumer Spirit Awards are separated into four categories: business, consumer, media, and legislative and will be judged on strategy, execution, originality and creativity, and results.

Nominations can be found online at www.sconsumer.gov or by mailing applications to: Consumer Spirit Award Selection Committee, c/o PI&E, PO Box 5757, Columbia, SC 29250.

Online Shopping Continued
personal information its operators are collecting, why, and how the information will be used. If you cannot find a privacy policy — or if you cannot understand it, consider taking your business to another site.

The Commission on Consumer Affairs

- Dr. Lonnie Randolph Jr., Chair, Columbia
- The Honorable Mark Hammond, Secretary of State, Columbia
- Barbara B. League, Greenville
- Louis Mayrant Jr., Pineville
- Rev. Tony Macomson, Cowpens
- Wayne Keith Sims, Columbia
- Wayne Powell, Gaffney
- David Campbell, Columbia
- Carole C. Wells, Woodruff
- Brandolyn Thomas Pinkston, Administrator
- Charles Ellison, Editor

About the South Carolina Department of Consumer Affairs:
Established by the Consumer Protection Code in 1974, the South Carolina Department of Consumer Affairs represents the interest of South Carolina consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement, and education. For more information on the SCDCA, visit www.sconsumer.gov.