

Consumer Alert



A Publication of the South Carolina Department of
Consumer Affairs Public Information Division

Don't let your TV fade to static

What you need to know about the switch from analog to digital TV

At midnight on February 17, 2009, analog television sets will fade to static as all TV signals will become digital.



While this may sound apocalyptic, the majority of Americans will barely

notice. It is estimated that just 10 percent of television owners will need to make adjustments to continue using their existing set.

The first thing you should know is that you do not need a new television set. Now if you would like

to upgrade your television, by all means go ahead, but you do not have to buy a new set to receive the digital signal.

A converter box (called an ATSC tuner or ATSC receiver or HDTV tuner) is available to convert analog signals to digital. Consumers can expect a converter to cost between \$50 and \$75. They are available at most major retailers. To help ease the cost for consumers the government is providing a \$40 coupon for the converter.

The following should clear up any confusion about the switch from analog to digital.

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Facing foreclosure? You still have options

The possibility of losing your home because you can't make the mortgage payments can be terrifying, but there are steps you can take to avoid foreclosure.



fixed payments for a few years, and then turn into adjustable loans.

Some are called 2/28 or 3/27 hybrid ARMs: the first number

refers to the years the loan has a fixed rate and the second number refers to the years the loan has an adjustable rate.

Others are 5/1 or 3/1 hybrid ARMs: the first number refers to the years the loan has a fixed rate, and the second number refers to how often the rate changes.

Know Your Mortgage

Do you know what kind of mortgage you have? If you can't tell by reading the mortgage documents you received at settlement, contact your loan servicer and ask.

Here are some examples of types of mortgages:

Hybrid Adjustable Rate

Mortgages: Mortgages that have

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2008 Lifesmarts Competition

In this Issue:

- Facing foreclosures
- Buying a New Car
- What to expect from your tax rebate

SCDCA honors its Consumer Spirit Award winners

The South Carolina Department of Consumer Affairs honored the recipients of the 2008 Consumer Spirit Awards at a Statehouse ceremony.

Brandolyn Thomas Pinkston, SCDCA Administrator, and Dr. Lonnie Randolph, Commission Chairman, awarded the



Consumer Spirit Awards

following honorees: Daniel Seamans, Mary Riley, Sarah Leverette, Bill Smith, Shred 360, Cherokee County Library and Drive Safe.

The Consumer Spirit Awards were established in 2005 to honor an individual or organization that has made a substantial contribution to the citizens and consumers of South Carolina.

Nominations were received from organizations and individuals statewide.

"We're so excited to honor some of South Carolina's most active citizens," Pinkston said. "These consumers and organizations volunteer time and energy to improve the quality of life for consumers across the state. They deserve a lot of credit for their efforts."

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The Help Desk: What to do before buying a car

Everyone enjoys a new car, but before you fall in love with that new car smell there are a couple of things you need to do.

1. Get your financial house in order.

Review your credit report for erroneous information and look for ways to raise your credit score, such as paying off some open credit card accounts.

You can obtain a free copy of your credit report at www.annualcreditreport.com.

2. How much car can you afford?

Many consumers get in over their heads with new cars. Find out what the monthly payment will be and see how that fits into your budget. Be careful not to overextend yourself.

Your total car expenses – payments, insurance, gas and maintenance – shouldn't be more

than 20 percent of your take-home pay.

Due to the rapid value loss of new vehicles, if you fall behind on payments and have to sell you will not recover your total costs. You could end up owing money on a vehicle you no longer own.

3. Shop for the best loan deal before buying.

One way to avoid getting burned on your next car purchase is to have your financing in place before you set foot on the dealer's lot. A good resource should be your credit union, which typically has the lowest rates.

4. Consider buying a used vehicle.

A new vehicle – no matter how pretty – loses at least 30 percent or more of its value the minute you drive it off the lot. To take advantage of this, look into vehicles that are two to three years-old and have low mileage, particularly if you do not plan on keeping the vehicle very long.



Before you get to this point, make sure you have prepared yourself to buy a vehicle.

5. Build up your down payment.

Too many people these days buy cars with little or no money down and then are surprised that for the

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Get the fax straight! How to stop unwanted faxes

Unsolicited telephone calls can be annoying, but unsolicited faxes can be expensive.

Given the cost of printer ink and paper, these unwanted faxes can be costly, but luckily there is a way to stop them.

In accordance with the law, use of a facsimile (fax) machine to transmit unsolicited advertising materials is prohibited unless there is a prior or current business

relationship between the sender and receiver. The lone exception are faxes sent as a follow-up response to a sales call, lead, or other business related contact.

If you are receiving unsolicited faxes stop it by either calling,

writing, or faxing the offending company a notice to quit sending faxes to your number. It is advisable



The fax machine isn't obsolete – yet. Don't let this friend of the office worker go out spewing junk faxes. Call them; tell them to stop.

to do so by writing a letter and sending it certified mail, you have evidence the company was instructed to stop.

If the faxes continue, you may have grounds for legal action.



Money Tips: 3-In-One Phone/Cable/Internet

If your phone, cable and Internet services are with three different providers, you're throwing away money every month.

Some of the best money saving deals out there right now can be had by combining these three services with one provider.

Sometimes you can get all three for about \$100 a month, and that includes long distance.

Digital phone service offers consumers the benefits of paying a set monthly fee for unlimited telephone service. Some of these packages even include unlimited long distance.

CONTINUED: SCDCA honors Consumer Spirit Award Winners

2008 Award Recipients

Organization Leadership Award

Drive Safe knows driving in busy traffic can be nerve-wracking. The girls of Drive Safe decided to do something about it and designed signs and made them available for inexperienced and senior drivers. They hope the campaign will reach every pre-teen before the legal driving age and consequently decrease teen driving fatality rates. Additionally they speak at different safety conferences, colleges, youth events and other venues encouraging road and highway safety.



Shred 360 reached countless consumers by providing on-site shredding of sensitive and personal documents.



The company has gone the extra mile for public service by partnering with the South Carolina Department of Consumer Affairs, Harvest Hope Food Bank, local media, and others to provide free Shred Day events in Columbia, Spartanburg, Camden, Charleston, and other locations. It's estimated that roughly 1,000 consumers protect their identity with each event.

Governmental Excellence

Mary Riley has had a diverse career in the corporate, private, non-profit and public arenas. She found her niche with the Senate Corrections and Penology Committee and its chairman Senator David Thomas. While employed with the Corrections and Penology Committee, Mary received the "Homeward Bound" Award for her work in helping ex-offenders get a fresh start. She is currently Chief of Staff and Senior Research Analyst for the Senate Banking and Insurance Committee.



The **Cherokee County Library** was our very first satellite office and contributed to the Department's strong outreach efforts that now include nearly 10 satellite locations. One of its most important services is providing office space for the South Carolina Department of Consumer Affairs.



Blending traditional library services with technology to meet the ever-changing needs of the community, the

Cherokee County Public Library strives toward its goal of providing informational, educational, and recreational library materials and programs, and making them available and accessible to every individual in the county.

Media Partnership Award

Daniel Seamans is a consumer reporter for WOLO-TV. He is the catalyst behind the Consumer Watchdog series, a news segment that shows not only real people who have been or were potential victims, but gives informative tips for consumers to avoid scams, frauds, and other deceptive practices. Recently promoted to weeknight anchor of the Evening News, Seamans continues to write and produce numerous consumer-driven stories under the ABC Columbia Watchdog brand.



Dublin/Robinson Consumer Champion Awards

Bill Smith founded the Alliance for Medical Excellence, a volunteer organization that provides support and encouragement to caregivers. The organization hosts seminars and group therapy sessions and staffs a 24-hour phone line. Mr. Smith currently serves on a number of boards, including the SC Educational Foundation Inc., Columbia's Chapter for the National Society of Professional Engineers, and the Carolinas Center for Medical Excellence.



Sarah Elizabeth Leverette is a pioneer in the legal arena and is a tireless advocate for human rights.

She was the first female faculty member at the law school and headed up the school's library.



During her tenure, she was appointed by then-Governor John C. West to serve on the Committee to Revise the Constitution of South Carolina and wrote the procedural outline for the current method of amending our state constitution.

Ms. Leverette currently serves on the State Board of the South Carolina Women Lawyers Association and the State Board of the League of Women Voters where she researches and tracks state and local legislation.

She also works as an attorney for Russell and Jeffcoat and mentors young women in the Girl Scouts' annual Legislative Page Program.

When and what to expect from your tax rebate check

The tax rebate checks will be in the mail shortly.

To receive a check you must file taxes, even if you are not normally required to do so. If you do not file taxes, you will not receive a check.

The actual amount depends on the information contained on your tax return.

Eligible individuals will receive between \$300 and \$600. Those who are eligible and file a joint return will receive a total of between \$600 and \$1,200.

Those with children will get an additional \$300 for each qualifying child. To qualify, a child must be eligible under the Child Tax Credit and have a valid social security number.

Older Americans may be able to receive free tax help from one of the AARP's 7,000 Tax Aided sites nationwide. Visit www.aarp.org/



To receive a tax rebate check you HAVE to file taxes, even if you are not normally required to.

taxaide or call 1-888-227-7669 for locations.

The stimulus payment schedule is based on the last two digits of the filer's social security number. Those who choose direct deposit will receive the first payments, while those choosing paper checks will wait longer. Below is the breakdown of Social Security

numbers and when the filer should expect to receive payment.

For Direct Deposit:

00 - 20	May 2
21 - 75	May 9
76 - 99	May 16

For Check:

00 - 09	May 16
10 - 18	May 23
19 - 25	May 30
26 - 38	June 6
39 - 51	June 13
52 - 63	June 20
64 - 75	June 27
76 - 87	July 4
88 - 99	July 11

Unfortunately, scammers are opportunistic, so consumers should expect to see a rise in the number of fraudulent complaints connected to the tax rebate.

Remember: No one from the government or IRS will call you about your rebate check or ask for sensitive information over the telephone.

CONTINUED: What you need to know about the switch to digital..

Who needs to make the switch?

If you own an analog television and receive a television signal through an antenna, you will need to purchase a converter box. In

to continue to do so, you have nothing to worry about, even if your television is analog, because the signal is converted for you by your service provider.

If you own a digital television - nearly all TV sets produced since 2004 have a digital receiver - you have

nothing to worry about. However, very few TV sets built before 1998 have a digital receiver.

Do I need a new TV?

No.

Do I need an HD TV?

No, no, no. High definition requires a digital receiver or converter box, but you can get a digital signal without an HD TV.

What do I need to know about the coupon?

- ☛ To receive a coupon call 1-888-388-2009 or order online at www.dtv2009.gov.
- ☛ Each household is eligible for two \$40 coupons.
- ☛ Only one coupon can be used per converter box.
- ☛ Coupons expire 90 days after they're mailed.

More questions? Complaints?

Call (888) 388-2009 or go to www.dtv2009.gov.



If you receive "regular" TV through an antenna and purchased your set prior to 1998, you will need a converter box.

simplest terms, if you enjoy free television and purchased your TV before 1998, you will need a converter box to continue watching.

Who has nothing to worry about?

If you receive cable (digital or regular) or satellite service and plan

CONTINUED: Facing foreclosure? You still have options

In a 3/1 hybrid ARM, for example, the interest rate is fixed for three years, then adjusts every year thereafter.

ARMs: Mortgages that have adjustable rates from the start, which means your payments change over time.

Fixed Rate Mortgages: Mortgages where the rate is fixed for the life of the loan. The only change in your payment would result from changes in your taxes and insurance if you have an escrow account with your loan servicer.

If you have a hybrid ARM or an ARM and the payments will increase — and you have trouble making the increased payments, find out if you can refinance to a fixed-rate loan. Review your contract first, checking for prepayment penalties.

Many ARMs carry prepayment penalties that force borrowers to come up with thousands of dollars if they decide to refinance within the first few years of the loan.

If you're planning to sell soon after your adjustment, refinancing may not be worth the cost.

But if you're planning to stay in your home for a while, a fixed-rate mortgage might be the way to go.

Online calculators can help you determine your costs and payments.

If You Are Behind On Your Payments

If you are having trouble making your payments, contact your loan servicer to discuss your options as early as you can. Most loan servicers are willing to work with customers they believe are acting in good faith

and those who call them early on. The longer you wait to call, the fewer options you will have.

After you've missed three or four payments and your loan is in default, most loan servicers won't



If you feel you're about to fall behind on your mortgage payment, contact your loan servicer immediately.

accept a partial payment of what you owe. They will start foreclosure unless you can come up with the money to cover all your missed payments, plus any late fees.

Avoiding Default and Foreclosure

If you have fallen behind on your payments, consider discussing the following foreclosure prevention options with your loan servicer:

Reinstatement: You pay the loan servicer the entire past-due amount, plus any late fees or penalties, by an agreed upon date.

This option may be appropriate if your problem paying your mortgage is temporary.

Repayment plan: Your servicer gives you a fixed amount of time to repay the amount you are behind by adding a portion of what is past due to your regular payment. This option may be appropriate if you've

missed only a small number of payments.

Forbearance: Your mortgage payments are reduced or suspended for an agreed upon period.

At the end of that time, you resume making your regular payments as well as a lump sum payment or additional partial payments for a number of months to bring the loan up-to-date.

Forbearance may be an option if your income is reduced temporarily. For example, you are on disability leave from a job, and you expect to go back to your full time position shortly. Forbearance isn't going to help you if you're in a home you can't afford.

Loan modification: You and your loan servicer

agree to permanently change one or more of the terms of the mortgage contract to make your payments more manageable for you.

Modifications can include lowering the interest rate, extending the term of the loan, or adding missed payments to the loan balance.

A loan modification may be necessary if you are facing a long-term reduction in your income.

Before you ask for forbearance or a loan modification, be prepared to show that you are making a good-faith effort to pay your mortgage.

For example, if you can show that you've reduced other expenses, your loan servicer may be more likely to negotiate with you.

Selling your home: Depending on the real estate market in your area, selling your home may provide

CONTINUED: Facing foreclosure?

the funds you need to pay off your current mortgage debt in full.

Bankruptcy: Personal bankruptcy generally is considered the debt management option of last resort because the results are long-lasting and far-reaching.

A bankruptcy stays on your credit report for 10 years, and can make it difficult to obtain credit, buy another home, get life insurance, or sometimes, even get a job.

Still, it is a legal procedure that can offer a fresh start for people who can't satisfy their debts.

If you and your loan servicer cannot agree on a repayment plan or other remedy, you may want to investigate filing Chapter 13 bankruptcy.

If you have a regular income, Chapter 13 may allow you to keep property, like a mortgaged house or car, that you might otherwise lose.

In Chapter 13, the court approves a repayment plan that allows you to use your future income toward payment of your debts during a

three-to-five-year period, rather than surrender the property.

After you have made all the payments under the plan, you receive a discharge of certain debts.

To learn more about Chapter 13, visit www.usdoj.gov/ust. It's the website of the U.S. Trustee Program, the organization within the U.S. Department of Justice that supervises bankruptcy cases and trustees.

If you have a mortgage through the Federal Housing Administration (FHA) or Veterans Administration (VA), you may have other foreclosure alternatives.

Contact the FHA (www.fha.gov) or VA (www.homeloans.va.gov) to discuss your options.

You can also contact the Department of Consumer Affairs toll free at 800.922.1594 or 803.734.4200.

CONTINUED: What to do before buying a car

first three or four years of ownership they owe more than their car is worth. A good rule of thumb is to put at least 20 percent down on any vehicle, either in cash or trade.

6. Beware of low-cost lease deals.

Leases can be an attractive option, but beware of the fine print. If you drive more than the allotted mileage, often set at just 10,000 miles a year, you will be hit with huge fees of as much as 25 cents a mile for every mile over your allotment.

7. Clean up your trade-in.

A car that appears to have been taken care of is worth more than one looks like it has seen its better days. If you're trading in your old car this could mean the difference in hundreds if not thousands of dollars.

Also beware that if you still owe money on your trade, make sure you can get enough to pay off the loan rather than roll the balance over into the loan on your new car.

"Late Nights" offers extended hours for more convenience



"Late Nights" allows consumers with especially busy schedules a few extra hours to reach Consumer Affairs. Office hours are extended

from 5:30 p.m. until 7:00 p.m. on the third Tuesday of every month.

The program is designed to give consumers the convenience of after-work hours.

Consumers are welcomed to call during the additional hours at 803.734.4200 or toll free in S.C. at 1.800.922.1594.

For more information about "Late Nights" please contact the Services Division at 803.734.4200.

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.sccconsumer.gov.

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

The Department strives to be a **CREDIT** to our State by holding the following values as essential in our relationships and decision-making:

Competence **R**espect **E**quality **D**edication **I**ntegrity **T**imeliness

The *Consumer Alert* is published every month. To receive the *Consumer Alert* or its sister publication *Fraud Alert* by e-mail or postal service contact Charles Ellison at ellison@dca.state.sc.us or by phone 803.734.4203.

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