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Knowledge to Work"

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Check 21 & The Consumer

A federal law, known as Check 21, makes it easier for banks to electronically transfer check images instead of physically transfer paper checks. This guide explains your rights under Check 21 as they relate to substitute checks. Substitute checks are special paper copies of the front and back of your original checks that are created to replace the original check.

Because of Check 21 and other check-system improvements, your checks may be processed faster--which means money may be deducted from your checking account faster. Before you write a check, make sure that your checking account has enough money in it to cover the check.

You may currently be receiving "pictures" (known as digital images) of your checks, a list of your paid checks, or a combination of these items. Check 21 will have little or no effect on these practices.

On the other hand, if you do get your canceled checks back in your regular account statements, you may notice some changes under Check 21. For example, your bank may start sending you a combination of original checks and substitute checks in your account statements. You may use a canceled substitute check as proof of payment just as you would use a canceled original check.

The account agreement you have with your bank governs whether you receive

canceled checks with your account statements. If you currently get canceled checks back with your statements, you will continue to receive your checks unless your bank notifies you that it is changing your account agreement.

You may receive substitute checks in other limited circumstances. For example, your bank may give you a substitute check if you ask to have a particular canceled check back to prove a payment. Your bank might provide a substitute check to you when returning a "bounced" check that you deposited into your account.

By law, your bank may not pay a check from your account unless you authorized that payment. In other words, you are protected from having your bank pay the same check from your account more than once or from having your bank pay the wrong amount for a check. Check 21 does not change these protections. However, Check 21 does give you special rights if you receive a substitute check from your bank. This guide explains your rights regarding substitute checks. For your rights in other situations, contact your bank.

For a complete version of Check 21 Consumer guide, Visit the online information on Check 21. <http://www.federalreserve.gov/pubs/check21/consumer_guide.htm>

Source: Federal Reserve Board
Article Provided By: Susan Taylor,
Extension Educator, Matteson Center

Free "Specialty" Consumer Reports Available Now

In a time when everything seems to have a price, it's good to know that some things are still free. Several types of reports called "specialty consumer reports" are available at no cost once each year. These free reports became available starting December 1, 2004.

"The Fair and Accurate Credit Transactions Act that Congress adopted in 2003 gives consumers the right to one free report prepared by a nationwide specialty consumer reporting agency that creates files on consumers' information such as their medical information, places of employment or insurance losses," explains Lois Smith, consumer and family economics educator with University of Illinois Extension. "These specialty consumer reporting agencies are typically not as large as the big credit bureaus, but the information they collect, store and report can have a greater impact on consumers than credit data."

Smith says that credit data typically affects a consumer's ability to purchase goods. But, employment data affects a person's ability to gain employment in their chosen field, and tenant data affects where a person can live. Many consumers are not even aware these agencies exist. Here are

some examples of these agencies, reports available, and how consumers can get a copy of their reports.

The Medical Information Bureau (MIB) compiles medical records or payments. This is not a new reporting agency. For over 100 years, this association of more than 600 U.S. and Canadian life insurance companies has provided consumers' health information to the financial industry. The bureau has reports on approximately 13 million individuals and keeps the information on file for seven years. If you have not applied for individually underwritten life, health, or disability insurance during the preceding seven-year period, the MIB will not have a record on you. To get a copy of your report, call their toll-free number 1-866-692-6901. Check their web site for more information <http://www.mib.com/>.

Registry-SafeRent provides information to the multi-family housing industry and to employers for the purpose of making leasing decisions based on a consumer's tenant history. A consumer file may include criminal and landlord-tenant records as well as rental performance. Consumers may order a copy of their report by completing a consumer disclosure request form. The request form is available by

writing the agency at 11140 Rockville Pike, PMD 1200, Rockville, MD 20852 or by calling their toll-free number, 1-888-333-2413. Check out their website at <http://www.residentscreening.com/index2.php>.

ChexSystems is a network of member financial institutions that regularly report information on mis-handled checking and savings accounts to a central location. Financial institutions use the information to help them assess the risk of opening new accounts. Unless it is removed by a bank or credit union, consumer information remains on file for five years. Banks and credit unions are not required to remove a consumer's information even if the person has paid the debt. During this period,

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In the Spotlight

Looking for new recipes, healthy family activities and tips, then visit the University of Illinois Extension Healthy Lifestyles: Less Is More website <<http://web.extension.uiuc.edu/regionwc/lessismore/>>. The website is updated monthly, so check back often for more healthy tips and recipes.

Check out this website—www.ftc.gov

The Federal Trade Commission website features "hot" consumer topics, updated on a daily, weekly, and monthly basis. Your source for up to the minute information on identity theft, FACTA 2003, and rising gasoline prices. Check out "Hot Topics" at <<http://www.ftc.gov/>> for more information.

Money Tip of the Month



Keeping your financial papers organized can help you save money. Every day as you receive bills 1) open them, 2) check their accuracy, 3) throw out fillers, and 4) file bills in a *To Be Paid* file. Then, set aside time once or twice a month to pay all bills in the file.

Update on Free Credit Reports: Call, Don't Click!

San Diego, CA-

A new report issued today by the World Privacy Forum in advance of the March 1 rollout of free credit reports to Midwest residents, shows that consumers may be better off calling or mailing for their federally mandated free credit report instead of going online for it.

Researchers analyzed two areas: The official Web site, <https://www.AnnualCreditReport.com> and close misspellings of the official web site's address to see if any "phishing" or scam sites had been put online.

The World Privacy Forum study, "Call Don't Click: Why It's Smarter to Order a Federally Mandated Credit Report via Phone Instead of the Internet," documents that 96 known "imposter" domains exist.

- 28 of the imposter domains belong to Experian, a credit bureau.
- 68 of the imposter domains belong to or are hosted at "pay per click" companies.
- 50 of the "pay per click" domains are live, and some are luring consumers to inappropriate and risky Web sites. Some of the "pay per click" sites lead consumers to Experian and other credit companies' commercial sites in order to cash in on the credit bureaus' affiliate marketing programs.

Additional issues were found at the official AnnualCreditReport.com site itself. The primary finding was that the credit bureaus are blurring the lines between what is free for consumers and what is available for a cost.

For example, the TransUnion section of the AnnualCreditReport.com site automatically selects consumers to receive marketing information and have their information shared with affiliates and partners. Experian and Equifax have potentially confusing menu navigation bars that do not clearly distinguish between the free areas of credit report access and the for-pay sections.

"As a long-time pro-technology advocate, it saddens me to advise consumers to avoid a legitimate Internet site," said Pam Dixon, Executive Director of the World Privacy Forum and a principal investigator for the report.

"The Internet is a medium I have long recommended to consumers as a vehicle for advice, research, and consumer information. If the credit bureaus take to heart the findings of this report, clear the confusing information from the AnnualCreditReport.com site and clean up the imposter domains, my recommendation to avoid the site will change."

CONSUMER TIPS

- When phoning the toll free number (877-322-8228) for a free credit report, ask that only the last four digits of your SSN are displayed on the reports to be mailed to you.
- If you call for your credit report or have it mailed to you, have it mailed to a secure mailbox.
- Know that you are not required to give out your email address in order to obtain a federally mandated free credit report.
- If you do choose to go online to <https://www.AnnualCreditReport.com> to access your credit report, be absolutely certain that you have not mistyped the AnnualCreditReport.com address. If you see pop-up ads or if you notice that the site is not secure, close your browser and start over. (Secure sites will have a padlock logo in the corner, and the address will read "https://" instead of just "http://".)

Source: Press Release from Institute of Consumer Financial Education, ICFE eNEWS, March 4, 2005

Coming April 2005

- Medicare Prescription Drug Cards
- National Extension Living Well Week



University of Illinois at Urbana-Champaign College of Agricultural, Consumer and Environmental Sciences
United States Department of Agriculture Local Extension Councils Cooperating
University of Illinois Extension provides equal opportunities in programs and employment.

Free “Specialty” Reports (continued)

During this period, many financial institutions may reject requests for loans, checking accounts, and/or savings accounts. Consumers can order a copy of their report on-line at <http://www.chexsystems.com/> or by writing ChexSystems, Inc., Attn: Consumer Relations, 7805 Hudson Rd, Suite 100, Woodbury, MN 55125 or calling toll-free 1-800-428-9623.

ChoicePoint, another consumer-reporting agency, maintains consumer information on employment history and tenant history as well as two C.L.U.E. (Comprehensive Loss Underwriting Exchange) reports. The employment history includes current and previous employers and verifies public records, such as liens and judgments, and financial records. The C.L.U.E. personal property report

provides a five-year insurance loss history for a given address, without divulging personal or private information. The information includes date and type of loss as well as amount paid. The C.L.U.E. auto reports track similar information about auto insurance losses. Information for both reports is held on file for five years. Call toll free to order a report request form 1-866-312-8075 or get one on-line at <http://www.choicetrust.com/>.

“Consumers who find errors in a specialty report have the same rights to dispute as with errors found in a credit report,” says Smith. “And if they have been denied services, they can order a free report any time during the year.”

Article provided by Lois Smith, Extension Educator, Edwardsville Center

Identity Theft Update

Don’t Be Hooked by a Phishing Scam

Internet scammers casting about for people’s financial information have a new way to lure unsuspecting victims: They go “phishing.”

Phishing is a high-tech scam that uses spam or pop-up messages to deceive you into disclosing your credit card numbers, bank account information, Social Security number, passwords, or other sensitive information.

For more information, visit www.ftc.gov.

Source: www.ftc.gov, FTC Consumer Alert, June 2004