

THE CONSUMER ADVOCATE

WINTER 2007

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The internet has changed the way we do many things. It has changed the way news is reported, the way we shop, how information is researched, and how we can manage our finances. This new technology can work in our favor, but it can also be our downfall. Therefore, it is important to understand these changes, how they may affect you, and learn how to make them benefit you!

The internet has changed the way we pay bills, by allowing consumers to pay their bills electronically. This is commonly referred to as automatic bill pay. Consumers can pay their monthly bills over the internet by setting up an online account on the website of their checking account, debit card or credit card. Automatic bill pay is extremely helpful and most commonly used to pay recurring bills (bills that do not change on a monthly basis), such as health club memberships, car payments, magazine subscriptions, etc. because the payment amount is fixed and the due date gener-

ally does not change. So, the funds can be automatically withdrawn from your account each month on the same date. Automatic bill pay is a great alternative because you do not have to mail out a payment each month. You will only be responsible for having the funds in your account on the date that you establish as the date of withdrawal.

Automatic bill pay does not restrict consumers to only paying their fixed recurring bills each month. There is also the option to pay bills that change on a monthly basis, such as credit cards or utility bills. There are two options. You can choose to automatically pay the account in full each month, but you must be alert to the change in payment each month. Automatic bill pay can also be set up so that each payment is made manually. Each time a bill is received, log onto your automatic bill pay account and you can determine how much money will be applied toward that bill. (cont. pg. 2)

**FUNDING UPDATE**

THANK YOU!

CHASE: THANK YOU FOR YOUR GENEROUS EDUCATIONAL GRANT THAT ALLOWS DCC TO EXPAND OUR OUTREACH EFFORTS WITHIN THE HISPANIC COMMUNITY.



AUTOMATIC BILL PAY (CONT.)

There are two ways to enroll in automatic bill pay.

- Enrollment can be done with each individual company (utility company, health club, etc.) Enrollment generally involves filling out an authorization form with the company and enclosing a voided check. Speak with each company directly to ensure you will not be charged fees for automatic bill pay.
- Enrollment can be completed through your local bank. Many banks offer free automatic bill pay through your checking account. To sign up, visit your bank in person or online.

Before signing up for automatic bill pay, carefully read the agreement and all the fine print that discloses fees and notification procedures. Automatic bill pay is extremely convenient, but do not overlook the simple things.

Easily overlooked aspects of automatic bill pay:

- ◆ It is not automatic! You may electronically transfer funds on the internet, but it generally takes *at least* two business days for the funds to be applied toward the bill.
- ◆ There can be errors. It is fairly common for creditors to unintentionally double bill (the first few months) or to apply incorrect funds toward the bill. **Always review every statement from the creditors to verify accuracy.**
- ◆ If you enroll in automatic bill pay, some companies automatically sign you up to receive electronic monthly statements. If you decide to manually pay your bills over the internet, you may also be enrolled. If you check your email on a regular basis, this notification may be just as useful as a paper statement reminder so you immediately make your monthly payment. For others, email notification can easily slip their mind, result in non-payment of a monthly bills, where late fees can be incurred and interest rates may be raised. Always print out statements if you need a paper reminder.
- ◆ Do not forget that these funds are going to be automatically withdrawn from your checking or savings account each month. Keep track of these expenses in your checkbook to ensure that funds will be available to cover the automatic withdrawal. (If you would like assistance or information on how to effectively manage your checkbook, contact DCC).
- ◆ **Do not pay your monthly bills on a credit card if you cannot pay off the balance in full at the end of the month.** You do not want to accrue interest on the bill you have already paid. (cont. pg.3)

IT'S THAT TIME OF YEAR...

To pull your credit report! The New Year serves as a great reminder to pull and review your credit report. We are all entitled to one free credit report every twelve months from each of the major credit reporting agencies (TransUnion, Experian, and Equifax). You can choose to view all credit reports at once or pull one at a time at different points throughout the year. If you choose to review one credit report every few months, make a reminder for yourself to pull your next credit report at a later date.

It is important to check your report *at least once a year* for:

- * Accuracy: One out of every three credit reports contains an error. Correcting an error is a time consuming process that takes *at least 30 days*, so the sooner you can catch and correct an error, the less of a hassle it will be.
- * Identity theft: Identity theft can happen to anyone. In 2005, 8.9 million Americans were victims of identity theft. By reviewing your credit report, you can see if accounts have been opened in your name that you did not open.

Go to www.annualcreditreport.com to access a copy of your credit report. If you would like assistance reviewing your credit report, information on how to fix an error, or how to proceed after becoming a victim of identity theft, contact DCC and one of our Certified Credit Counselors will assist you.

AUTOMATIC BILL PAY (CONT.)

Automatic bill pay is becoming increasingly popular and eventually we will become a paperless society in regard to monthly bills. You can benefit from automatic bill pay!

- * You will save money on postage and envelopes
- * Reduce stress. You will no longer have to worry if a payment has arrived by the due date and if any fees have been incurred.
- * It is convenient!

If you are interested in enrolling in automatic bill pay, contact your bank to discuss their options and fees. Many banks offer free bill pay and if not, there are third party companies that offer automatic bill pay for a low or no monthly fee, but be cautious working with third parties as you are sharing personal financial information with them. If you have any additional questions about automatic bill pay, contact DCC and speak with a Certified Credit Counselor today.

DO YOU WANT TO APPLY EXTRA FUNDS TO YOUR ACCOUNTS ENROLLED AT DCC?

Congratulations! DCC encourages additional payments to help you become debt-free faster!

Here's how: All additional funds *must* be sent through DCC by money order or certified bank check. Mail all payments to DCC, P.O. Box 6001, Hauppauge, NY 11788. Be sure to include a note about which account you want the extra money applied to. DCC always suggest sending additional payments to the credit card with the highest interest rate because that is where you are being assessed the most in fees.

Do you make your monthly payments via direct debit (ACH)? You can also send a money order or certified bank check to DCC to pay a little more on an account for one month. Or, you can request to permanently increase monthly payments by sending us written notification. Again, be sure to indicate which account(s) you want the extra money applied to.

Paying extra benefits YOU!

- * You will save money in interest charged by the creditor AND
- * You will reduce the amount of time on the program, thus paying less money to DCC in monthly fees!
- * Plus, there are no pre-payment penalties on the debt management program!

If you have any questions, contact your Certified Credit Counselor or Account Manager.

Celebrity \$ense

"Happiness is not the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort." -
Former President Franklin D. Roosevelt

WHAT'S NEW AT DCC

DCC conducts monthly seminars on a variety of financial topics! Our seminars are open to all local clients and consumers. As a benefit to our clients, DCC offers an Educational Incentive Program for those who attend our monthly seminars. In the **month after you attend a DCC seminar**, DCC will redirect your monthly maintenance fee to a creditor of your choice. This will help to pay down your debt faster and save you a few dollars in interest! Please come join us at our Hauppauge office.

Mark your calendars for our upcoming seminars.

- * February 27, 2007 at 6:30 PM Getting Married? Talk Money First
- * March 27, 2007 at 12:30 PM Parent's Guide: How to Raise Financially Responsible Teens

Seating is limited so please call 1.888.354.6332, ext. 317 to reserve your seat today. Refreshments will be served at all seminars.

Visit us on the web!

www.debtcounselingcorp.org

DEBT COUNSELING CORP.

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UPCOMING DCC EVENTS

- DCC has proudly agreed to speak with new recruits for the NYPD. We will explore topics including how to manage finances, credit cards, and credit reports.
- DCC will continue to teach the Junior Achievement curriculum at East Islip Middle School. Our DCC staff will teach "Economics for Success" which discusses the importance of staying in school, career choice, budgeting, and how credit works.

A T D C C , W E ' R E H E R E T O H E L P .

SPOTLIGHT IN THE COMMUNITY

This past winter, DCC partnered with the Nassau and Suffolk County Girl Scouts to help them achieve their Penny Power badge.

DCC helped the young girl scouts (age 7–13) learn the value of money and participated in activities where they were able to make their own decisions about money. Each girl scout was given a pocketbook containing \$1.00 of play money. They then had the opportunity to go shopping for items to decorate their pocketbooks. They made decisions about what products to purchase while staying within their means. Most girls spent all of their "cash" to decorate their pocketbooks, but some girls decided to save their money for future purchases!

The older girl scouts kicked off their Cookie Campaign by designing poster boards for their upcoming cookie sales. As a troop, they created a slogan and decorated poster boards to attract customers and increase their cookie sales.

The pocketbooks and the posters turned out great. DCC looks forward to working with the Girl Scouts on future projects.



