

# "THE KEY"

To Mediation and Solution

**Alliance for Consumer Protection, Beaver County**

Member, Beaver County Chamber of Commerce

Phone: 724-770-2078 – Fax: 724-770-2079

[www.ACP-Beaver.org](http://www.ACP-Beaver.org) - [cp@beavercountypa.gov](mailto:cp@beavercountypa.gov)

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*From Me to You*

## **NEW CREDIT CARD RULES AIM TO PROTECT CONSUMERS**

Congress recently enacted the Credit Card Act of 2009 which provides new credit card protections that are being phased in during 2010.

Effective, August 2009, banks must mail credit card statements at least 21 days before the due date.

Other improved rules which will protect consumers include:

**\*\*Credit card issuers must give at least 45 days notice before increasing interest rates and other fees. Until now, banks were required to give only 15-day notice.**

**\*\*Banks will not be able to increase fees and interest rates without warning, if a customer exceeds a credit limit or misses a payment.**

**\*\*Consumers may avoid future interest-rate increases by opting out of the new rules. The card will be closed but the customer will be allowed to pay off outstanding balances over time under the original terms.**

These rules will be implemented in February, 2010 with new disclosure rules scheduled for July next year. Pending the rule modifications, many card issuers have been raising interest rates, fees, reducing credit limits and closing accounts which they consider to be risky. Some consumers have had their cards closed without prior notification, only to learn of the closure when attempting to use the card.

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Some issuers have raised the interest rates, two-four percent. Others have converted fixed rate interest to variable rates. Chase bank announced a variable rate effective in November, based on the prime rate plus 12.99%, 16.24% as of July 15, 2009.

ACP urges consumers to check changes in their credit cards. Variable interest rates will automatically fluctuate when the prime rate changes, so no notice will be given. Consumers should shop around for cards with better terms. Read carefully notices regarding changes to your credit card account.

*Sidney Elkin,*  
**ACP Founder**

## **CHECK THEM OUT!!!**

Take a few minutes and browse through our business members and their services. This month we welcome Electric Garage Door Sales, Inc. located in Monaca to our list of local business talent waiting to serve you.

*Letter from the Board President***CONSUMER SUCCESS!!!**

Here at the Alliance for consumer Protection, our goal is to assist our clients with mediating consumer complaints, reaching a fair and amicable solution for both parties involved in a timely, professional manner. The following stories recap several successful outcomes.

The first case involves the purchase of a \$2,300 garden tractor by a consumer who also chose to purchase an extended 3 year warranty. After only a few hours of service, the tractor failed to start and numerous attempts by the service department did not rectify the problem. Following our intercession, the tractor was returned to the store and the customer received a full refund. The grateful consumer thanked us saying, "It was a job well done."

We are also here to give advice to Beaver County residents when they are considering purchases or refinancing. A consumer sought our services when considering a Mortgage Loan Modification following our suggestions, he gathered all financial information regarding the change, and found the fees involved with this transaction far outweighed any potential payment savings. He therefore made the decision that did save him the most money and stayed with his current loan.

In this economy, many consumers are affected financially by a change in their employment status. Following a recent lay off, one resident was having trouble meeting her mortgage. After numerous attempts to reach an agreement for a lower payment with the bank and facing foreclosure, she sought our help. We were able to lower her interest rate along with her payment thus preventing foreclosure. To date she has been able to keep up with her payments and is grateful for all of our help to ease her situation.

Sometimes the utility companies experience billing problems. Whether it is a double bill for the same service, or the lack of documentation of a recent payment, it still creates a problem for the consumer trying to deal with automated phone systems to rectify the problem. In this case, a consumer attempted to "iron out" an account that was billed twice on a monthly basis. Her attempts resulted in the account being referred to a collection agency. We were able to straighten out all of the bills

and correct her credit report for which she was very grateful.

Home repairs may result in dissatisfaction by parties involved. Whether it was a front door, a roof, or a driveway, consumers have reached satisfactory resolutions either in refunds or corrected work to standard satisfaction. No construction or home repair problem, nor any service provider is too large for our mediation. We have consultants who gather information and actually visit the site to assess the situation when necessary.

We also offer credit counseling for those who have problems with debt and relentless collection agencies. In many cases we are able to negotiate lower interest rates, a lower monthly payment to get consumers' debt under control. In one case, over \$1,200 in late fees and service charges were reversed on a credit card, along with a reduced interest rate to 9.99% for 5 years thus enabling the consumer to actually pay off the card with lower monthly payments. Our goal with credit counseling is to educate the consumer to practice responsible spending and saving habits for their benefit. Unlike the well-advertised credit repair agencies, we do not charge a fee for this service and our assistance should not lower your credit scores.

Whatever your consumer complaint or problem, the Alliance for Consumer Protection is here to mediate or offer counseling. We are located at 469 Constitution Boulevard, across from the tennis and skateboard courts at Brady's Run. Feel free give us a call or make an appointment to discuss a complex situation.

Richard Dupree  
President, Board of Directors

**TIS THE SEASON!!!!**

With department store marathon, weekend sales and markdowns, Christmas shopping begins. Prior to purchasing, check the store refund policy. Gift vouchers are also wise. If a return is necessary, they can save time and money. Organization is the key. Once your list is in order, watch the flyers for sales. Layaways are great if cash is at a premium but double check the terms.

## HOME IMPROVEMENT

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Downspouts, Doors & Windows  
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## THANK YOU!!!

We appreciate our Business Members  
They are waiting and ready to serve YOU!

**Business Subscriptions:** \$50.00 per year.

**Benefits Include:**

Quarterly Newsletter

ACP Business Member Certificate Suitable to Frame

Free Link provided to/from the ACP Website

Profile in the Newsletter and on ACP Website

**HEATING AND AIR CONDITIONING****Beaver Valley Sheet Metal**

1215 Pennsylvania Avenue  
Monaca PA 15061  
Phone: 724-775-7300

**AIRE SERVICES**  
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**MISCELLANEOUS****Grove Cemetery, Inc.**

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Suite 101  
Aliquippa PA 15001  
Phone: 724-375-5333  
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Electric Garage Door Sales, Inc. focuses on the service and installation of garage doors & electric openers both residential & commercial. They offer a 90 day service warranty on openers with 1 year service on door installation labor. Also, installation of doors and openers bought elsewhere is not a problem. Free bids given with payment due on the completion of the job.

***ELECTRIC*  
GARAGE DOOR SALES**

1128 Pennsylvania Avenue  
Monaca, PA 15061  
**Phone: 724-774-3200**  
Garage Doors, Parts, Service

*From the Executive Director's Desk*  
**PREVENTABLE EXPENSES**

"An informed consumer is a wiser consumer," I say and write these words again and again. One of the goals we strive for at ACP is to help consumers learn how to spend and save wisely. Listed below are some spending related areas which encroach upon peoples' savings. The trends are troubling. Here are some *preventable expenses*:

**Network Shopping Channels**

I admit I have fallen into this trap myself. Channel hopping can be one of the worst things you can do to relax. A lot of television today is poor quality and it can be a challenge to find something worthy to watch. If you need background noise, turn on the radio or play some music instead of letting yourself be lured by shopping channels' slick ads and push of products.

Please understand that to a shopping network you are a target. These people are not your friends no matter how friendly they portray themselves to be. They are well-trained to make the consumer feel that a purchase is a necessity. Point-in-fact: counting down how many of the specific items are left. It is human nature to want to purchase something at a supposed discount price before they are all gone and then feel a sense of loss because you didn't buy it. **DO NOT FALL FOR THIS!** Your sense of loss will happen when the expense is incurred on your checking or charge account.

Let's try some self-discipline purchasing strategies. Ask yourself these questions *before* purchasing anything. Do I need it? (No, really, really need it.) Do I have room in my home for this? Am I breaking my budget? Will I use it one, five or ten years from now? Do my children or intended recipients need this or would a gift card mean a lot more to a family struggling to stay on a budget? Even if the warranty is a good one, do I want to go through the sometimes expensive hassle of returning a purchase that has not met my expectations?

**Gambling**

Gambling expenses fall under the budget category of recreation. Remember, as a budget item recreation expenses should be only 4-6% out of your monthly income. Gambling is addictive. It doesn't matter what age you are,

you can be a victim of this industry. Gambling is hyped as exciting and a social event. The whole system is designed to draw in consumers and make them forget their responsibilities. Now I am not saying that one should constantly worry about finances, rather I am stating that if you avoid the gaming industry you won't add to financial trouble.

If gambling is a necessary social activity, then set up some guidelines for yourself. Stay within your budget. Set an amount that you will be spending and stick to it. Do not carry your credit or debit cards with you. Use traveler's checks which are prepaid. **NEVER** use the Cash Advance option on your credit cards. Interest on this option begins immediately on day one, no 30 day float. The rate is also higher. Using your credit card to pay gambling expenses is dangerous because you are using someone else's money plus interest to pay the debt. One late payment can throw you into a higher interest category (many over 30%), and keep you there for six months even if you pay on time repeatedly after that. It can affect the interest rate on your other credit cards and adversely affect your credit score. This problem of universal default is currently being scrutinized by consumer advocates. A sure bet (pun intended), is to take that budgeted gambling amount and deposit the same into a savings account. Even 2% interest is better than a loss so you've already won.

The key to debt reduction and elimination is self-discipline and it is not a nasty term. It is a bold, freedom-filled way to live one's life. What kind of preventable expenses are eating away at your monthly income and savings? Take control and make the decision to make changes in your spending habits.

*Melody Logoyda*

*ACP Executive Director*

**CONGRATULATIONS!!!!**

Congratulations to the following consumers who won a free 1 year subscription to our quarterly newsletter, "The Key":

Jack Keeler (New Brighton, PA)

Louise Alberts (Conway, PA)

Thank you for your support and interest in our consumer based outreach program.

## CONTRACTS ARE BINDING Choose Your Cable, Phone & Internet Companies Wisely

There are many advertisements and enticements for you to choose a cable provider. Some companies' offer a 7 day cancellation; however you must see that in writing and respond immediately. Generally, there is an introductory offer which is very appealing; however at the end of this 3 to 5 month introduction period, you are automatically forced into a binding contract. Some companies provide contract beginning as low as \$9.99 - \$16.99 monthly. Know the installation/hookup fee. You may not need to sign a contract and you may have the option to flex your service. If you are a snow bird, you can terminate your service for more than 30 days. Be sure to summarize all details of your conversation, and get the name of your sales representative so that you know what monthly fee you have agreed to accept before terminating your telephone call.

YES - the Customer Terms and Conditions may be in extra fine print, therefore, read before signing your contract. *Read the fine print relating to the length of the contract and the cancellation fee before you sign the contract. Take it home and read all the details.*

It is not necessary to have your cable, phone and internet with the same provider; in fact, it *may be less expensive to split your service* between 2 or more providers. Always check prices, ask for promotions, special deals, coupons and credits off your bill. *Document your findings in order to do comparative shopping before you order and confirm cable service.*

Some services and installations are sub-contracted. If you need an extra HD modem to connect to additional televisions there may be a cost of \$5.00 monthly.

High Definition antennas are available and have the capability to provide a great picture and NO monthly fee. A one time purchase price of \$40 - \$90 for an antenna, which can be installed indoors or outdoors, may provide you an excellent picture depending on your geographical location. *You do need the digital converter box to use this antenna which would be an additional purchase.* The high definition box alone should provide a good picture and additional stations for your local area.

Before you go into a cable contract, research the stations you most desire and then choose a package that fits your interest and budget. You will pay a high monthly fee for the Premier and Choice Extra packages. Customer Service is vital and should be local rather than in Arizona or California.

If you need to "downsize your package" be certain that the contract does not renew at the date you initiated a change in service. Cancellation fees may cost as much as \$200. Therefore, do not purchase a monthly contract that does not fit your monthly budget.

The bottom line is economics. You can eliminate your monthly cable bill with a high definition box and antenna. If that is not the route you want to go, then please take the time to research and choose your service wisely.

*Rosalie Billheimer*  
*Office Manager*

## CREDITORS SEEK TO FREEZE/GARNISH DEBTOR BANK ACCOUNTS

Social Security and Veteran benefits may be held hostage when creditors secure court orders to freeze and garnish bank accounts.

Federal law protects Social Security and Veteran pensions from most creditors except for non-payment of child support, alimony, federal taxes and debts to other federal agencies. Despite this protection, other creditors, in reality can seize the Social Security and vet pension funds which are co-mingled in checking or savings accounts.

By direct deposit of these benefits, consumers who have unpaid debts are in a "catch 22" situation. Most cannot afford to have their bank accounts frozen for even a short time. It is difficult and costly to hire an attorney to retrieve the federally protected funds which have been seized as part of unprotected monies.

The U.S. Treasury Department must close this loophole with new regulations. Social Security and vet pensioners should be aware of this loophole by watching their accounts and practicing strict money management.

## CONSUMERS FACE NEW or HIGHER FEES

Consumers can save some money by being more aware of the multitude of fees and charges which are tacked on to a variety of transactions.

1.) Some firms may be charging "manual billing fees" for paper bills and statements. If you find a company imposing these charges, sign up for E-mail billing or check your statements on line instead.

2.) Insurance premiums paid in Installments have fees attached; sometimes \$4.00-\$5.00 each month. Attempt to pay quarterly or find a company which doesn't charge for making installments.

3.) Some cable companies, internet providers and utilities impose charges for making a payment over the phone. Paying on line may waive the fee. Check with your service companies.

4.) Cell phone termination fees can Be as high as \$200. Best check your end of the contract date before switching companies.

5.) Caller ID, call waiting and voice mail all have separate charges. If you have these services on your cell phone, you may not need the duplication on your land line phone.

6.) Gift cards or calling cards may also contain fees. There could be an activation fee or monthly maintenance fees if the card is unused. Check the fine print before purchasing.

## FAKE CHECK SCAMS

The Consumer Federation of America reports that approximately one of every three adults has been offered a "fake check." Unfortunately, two percent of those persons who fell for the scam, lost an average of \$3,000 to \$4,000 each.

What is a fake check scam? The target receives a legitimate-looking check or money order from a company or individual, with the request to keep some of the funds, essentially as payment for services rendered. The recipient is to write a personal check or wire funds to a bank for any overage amount of the fake document.

When the consumer deposits the fake, but legitimate looking check and writes checks on that amount, he/she is responsible when it is discovered that the

check is fake. This can take up to two weeks before the bank discovers the scam. The victim of the scheme is liable for the full amount of the check paid out by the bank and for any amount written from the initial deposit.

Consumers should beware when they are the alleged winner of a sweepstakes or lottery and they are asked to send a check to reimburse a third party for taxes owed. If you are awarded a cash grant but you are responsible for paying a processing fee from those funds, this may be a scam.

Consumers must be on the alert for these schemes. The checks look real and are drawn on legitimate banks. It is difficult to recognize them. Often the crooks work out of Canada or over seas making apprehension unlikely. BEWARE!

Don't forget to:

It's the GREEN thing to do!

## SHARE AND CARE

ACP greatly appreciates the support of our consumer sponsors. Instead of discarding our newsletter, why not share the information with family or friends who may benefit from the information in our publications? Placing them in lunchrooms, waiting rooms or into the hands of someone who may need our services helps us a great deal by introducing people to what we do.

Our business subscribers are also here to serve you. The range of services they provide is varied. Check them out on pages three (3) and four (4)! Please support our business sponsors.