FDIC Consumer News
Winter 2013/2014

Be in Charge of Your Credit Cards

Our Latest Tips for Choosing and Using Them

Also Inside

Be in Charge of Your Credit Cards: Our Latest Tips

Credit cards can offer numerous benefits to consumers, including a convenient way to pay for purchases, the ability to build a credit history, and the potential for rewards. But to make the most of your credit cards, it helps to be an informed consumer. First, remember that any purchase you make with your credit card is a loan that must be repaid. And as with any loan, it's important to select the right product for you and to use it wisely.

To help you maximize the benefits and avoid the potential pitfalls, here are our latest tips for choosing and using credit cards.

Choosing a Credit Card

Maximize your ability to get a good credit card by ensuring that your credit report is accurate. Correcting inaccuracies may help you improve your credit history and credit score, which card issuers will consider when deciding whether to offer you a card and how they will determine your interest rate and credit limit. You also can find out if an identity thief has opened credit cards or other accounts in your name (see tip # 8 on Page 4).

By federal law, you are entitled to one free copy of your credit report every 12 months from each of the three major nationwide consumer reporting agencies (also called "credit bureaus") — Equifax, Experian and TransUnion. Each company issues its own report, and because some lenders do not furnish information to all three of them, it's useful to request your report from each one in order to get a comprehensive view of your credit history. Go to www.AnnualCreditReport.com or call toll-free 1-877-322-8228 to order free credit reports or for more information.

If you find errors, each reporting agency provides ways to ask for an investigation and a correction. In addition, you can request a correction directly from the entity that supplied the incorrect information.

"Your credit reports play a large role in what credit you will qualify for, so it's important that they be accurate," said Jonathan Miller, Deputy Director for Policy and Research in the FDIC's Division of Depositor and Consumer Protection (DCP). "If you find any mistakes on a report, you have both a need and a right to have them corrected. And, be wary of companies that promise to 'fix' your credit report. If there is negative information that is legitimate, there is no way to remove it, although it will expire from your report after a period of time."

Determine what type of card best meets your needs. First, think about how you will use the card. In particular, do you expect to pay your card balance in full each month or carry a balance from month to month?

If you don't pay your card balance in full each month, the best card for you will likely be one with a low Annual Percentage Rate (APR). But if you do plan to pay in full each month, you might instead focus on whether there is an annual fee, rewards or other features, such as a waiver of foreign transaction fees (helpful for international trips or purchases).

Shop around and compare product terms and conditions. Although you may receive credit card offers, don't assume these are the best deals for you. If you decide you need to apply for a card, compare multiple products from several lenders. Various Web sites can help you compare product offerings from different institutions, but be aware that some sites list only companies that pay to advertise there.

What factors should you consider? Federal law requires creditors to disclose important rate and fee information to you before you apply. "This enables you to make apples-to-apples comparisons for the most important factors," pointed out Elizabeth Khalil, an FDIC Senior Policy Analyst.

Here is additional guidance on how to compare key terms and conditions:

• ***Annual Percentage Rate:*** The APR represents the annual cost of the credit.

In general, there are three types of APRs that might be applicable to your card: those for purchases, for balance transfers from another card, and for cash advances. Also pay attention to introductory rates. Some credit offers, such as balance transfers, come with special low interest rates that will increase after the promotional period.

• ***Fees:*** These can include annual fees, balance transfer fees and cash advance fees (in addition to any interest you might pay), foreign transaction fees, and penalties for late payments or returned payments. Determine if fees can change over time, as many cards will waive an annual fee for the first year but will charge it in later years.

• ***Rewards:*** These programs can be complicated, with specific eligibility rules. Know what you need to do to qualify for rewards, which might include meeting spending requirements, and how much you would have to spend to accumulate enough points or miles to get what you want. Also understand what you need to do to maintain your reward points, since they can sometimes expire if an account is closed or considered inactive.

Do your homework before signing up for promotional offers or additional products. Some credit cards come with promotions that are enticing but may cost you more money in the long run. For instance, some credit cards marketed by retail stores offer "no interest" on balances for a certain period of time, such as the first 12 months after purchase. But if you don't pay off the entire purchase balance by the end of the timeframe that was disclosed, you may be charged all of the interest that accrued since the date of purchase. "With any deferred interest offer, it's important to pay the balance in full before the promotional period ends," said Matt Homer, a Policy Analyst at the FDIC. "If you can't do that, a better fit might be a credit card with a low APR that doesn't expire after the promotional period."

Additionally, credit card companies might offer other credit-related products, such as credit protection (to pay, suspend or cancel part or all of your outstanding balance in the event of a specific hardship) and identity theft protection (to monitor your credit reports for signs that a crook attempted to use your name to commit fraud). "Make sure you fully understand how these products work and how much they cost by reading the fine print and asking questions before you sign up," advised Homer. "Also evaluate whether the price you will pay justifies the value you will get from the product."

For example, he said, as an alternative to paying for identity theft protection, you can look for warning signs of fraud by monitoring your free annual credit reports, especially if you space out the requests for a different company's report approximately every four months.

Using a Credit Card

Carefully review your card statements for billing errors and other problems, and report them quickly. The FDIC's Consumer Response Center reports that billing disputes and error resolution problems and processes are the most common types of complaints it received in 2012 and 2013 related to credit cards. And, according to the Consumer Financial Protection Bureau, many consumers are confused and frustrated by the process of challenging inaccuracies on their monthly statements.

If you notice a billing error, such as an unauthorized charge on your statement, contact the card issuer as soon as possible. For guidance, see consumer information from the Federal Trade Commission at www.consumer.ftc.gov/articles/0219-fair-credit-billing.

Checking your account periodically also can help you monitor your spending. "You may want to sign up for alerts on your mobile phone or through e-mail that inform you when your credit card has hit a specific balance amount or you are close to your credit limit. Other alerts can remind you about an upcoming bill," Homer added.

Review all communications from your lender. Keep a copy of your cardholder agreement and look at all other mailings from your lender because they may include notices about adjustments to the important terms of your card. For example, a credit card issuer must typically provide customers a 45-day advance notice of an interest rate increase.

Pay on time to limit late fees and protect your credit history. If you miss a payment, you'll likely be charged a late fee, which can sometimes be up to $35 or more. Late payments are also reported to the major consumer reporting agencies, which can harm your credit history.

Pay as much as you can to avoid or minimize fees and interest charges. While it may sound like a bargain to pay the minimum amount due, the long-term costs can be staggering. You will generally be charged interest on the unpaid portion of your balance at the beginning of a new billing cycle and your credit card issuer may start charging you interest from the time of purchase. If you can't pay the full amount, paying even slightly more than the minimum amount due can reduce your interest costs.

If you add an "authorized user" to the account, set rules and monitor transactions. Adding an authorized user can be a way to jointly manage your finances (for your convenience) or to help someone else (such as a relative under 21 years old) establish a credit history. But remember that you will be liable for any charges the authorized user makes with the card, so it's best to have a mutual understanding about your expectations as the account owner. Also consider asking your card issuer to place a spending limit on the card assigned to the authorized user. And, of course, be sure to regularly monitor the account and take appropriate action, if necessary.

Protect your card from fraud. Never provide your credit card numbers — including the account number and expiration date on the front and the security code on the front and/or back — in response to an unsolicited phone call, e-mail or other communication. When using your credit card online, make sure you're dealing with a legitimate company.

Also, take precautions at the checkout counter and gas pump, watching for card reading devices that look suspicious,

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Avoiding Debt Problems With Credit Cards

Only spend what you can afford. Know your credit limit. Be sure to only spend what you know you can repay — on time and preferably in full — regardless of how high your credit limit is.

Reach out for help if you are struggling with debt. If you have a serious debt problem, consider turning to a reputable credit counseling service. A variety of organizations specialize in advising borrowers on how to minimize harm from troublesome debt, such as limiting the damage to their credit histories. But be careful before signing an agreement or providing payment information to a credit counselor; some may offer questionable or expensive services, and others may be scams.

Start your search by asking people and organizations you trust for referrals. Then check on the complaint history of several credit counseling agencies with your state Attorney General's office, your local consumer protection agency or the Better Business Bureau. Also get details about their services and fees before making an oral or written agreement.

Remember that you can also talk with your credit card company directly to explain your situation and explore options for relief.

10 Ways to Protect Your Personal Information and Your Money

The news often includes reports about thieves gaining access to sensitive personal information that can be used to commit fraud or steal money, sometimes involving major security breaches at large companies such as retailers. "These reports may cause some consumers to be skeptical about engaging in even the simplest financial transactions, but that is unrealistic for most people, especially in today's online and electronic world," said Michael Benardo, Chief of the FDIC's Cyber Fraud and Financial Crimes Section. "That's why it's important to be vigilant about protecting your finances by taking some reasonable precautions."

While federal laws and industry practices generally limit losses for unauthorized transactions involving bank accounts, debit cards and credit cards, it pays to be proactive. Here are 10 things you can do to help protect yourself:

1. Know that offers that seem "too good to be true" are probably a fraud. Crooks often pose as businesses promising or guaranteeing high interest rates, high-paying jobs or other "opportunities," such as a big prize or lottery winnings for which you must pay taxes or other charges upfront. Be especially careful if someone pressures you to make a quick decision or if you are asked to send money or provide bank account information before receiving anything in return.

2. Guard against scams involving fraudulent checks and requests to wire money or send a prepaid card. A stranger or unfamiliar company might send you a check for more than you are due for an online sale and ask you to deposit the check and wire back the difference. Or, you might be asked to send a prepaid card to the crook. "If you send a wire transfer or a prepaid card, the money is immediately removed from your account, but the check you deposited may not have cleared. If that check is counterfeit, your financial institution would likely hold you responsible for the losses," said Benardo.

"Also," he added, "if you are selling something online, be wary of a request by a 'buyer' to wire *you* the money because that may be a ruse to get your bank account information."

3. Be suspicious about unsolicited e-mails or text messages asking you to click on a link or open an attachment. Crooks are known to distribute and install malicious software ("malware") that can capture passwords and PIN numbers. This information could be used to gain access to your online banking sites.

4. Don't give out personal information to anyone unless you initiate the contact and know the other party is reputable. "Crooks pretending to be from legitimate companies or government agencies often contact people asking them to 'confirm' or 'update' confidential information," explained Kathryn Weatherby, a fraud examination specialist for the FDIC. "But your bank, credit card issuer and government agencies would never contact you asking for personal details such as bank account information, credit and debit card numbers, Social Security numbers and passwords. Presume that any such request by phone, text message, fax, e-mail or letter is fraudulent."

5. Carefully choose user IDs and passwords for your computers, mobile devices, and online accounts. For unlocking devices and logging into Web sites and apps, create "strong" IDs and passwords with combinations of upper- and lower-case letters, numbers and symbols that are hard to guess, and then change them regularly.

6. Be careful when using social networking sites. Scammers use social networking sites to gather details about individuals, such as their place or date of birth, a pet's name, their mother's maiden name, and other information that can help them figure out passwords — or how to reset them. Even small tidbits of information can help them steal your identity, such as by answering security questions that control access to accounts. "Don't share your 'page' or access to your information with anyone you don't know and trust," said Benardo. "Criminals may pretend to be your 'friend' to convince you to send money or divulge personal information."

Fraudsters also have become sophisticated at creating fake social networking sites for financial institutions and other businesses.

For tips on avoiding fraud at social media sites, visit from the Internet Crime Complaint Center at www.ic3.gov/media/2009/091001.aspx. For additional information about safely using financial institutions' social media sites, see the Fall 2013 ***FDIC Consumer News*** (www.fdic.gov/consumers/consumer/news/cnfall13/socialmedia.html).

7. Regularly review your transaction history. Look at your bank statements, credit card bills or other transaction histories – preferably as soon as they arrive – and make sure you had authorized all of the transactions. Immediately report to your financial institution any suspicious activity, such as an unfamiliar charge. "Many financial services providers allow you to conveniently check your transaction history on their Web site or through an app on a mobile device," noted Weatherby.

8. Periodically review your credit reports to make sure someone hasn't obtained a credit card or a loan in your name. Ask for a free copy from each of the nation's three major credit reporting agencies (also known as credit bureaus) because their reports may differ, but spread out the requests during the year. For more information and to order a report, go to www.AnnualCreditReport.com or call toll-free 1-877-322-8228.

If you find an unfamiliar account on your report, call the fraud department at the credit reporting agency that produced it. If the account turns out to be fraudulent, ask for a fraud alert to be placed in your file at all three of the major credit bureaus. The alert tells lenders and other users of credit reports that you have been a victim of fraud and to verify any new accounts or changes to accounts in your name.

9. Protect your personal financial documents. Keep bank and credit card

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Money and Banking Tips for the Tax Season

How can you save money and avoid a variety of problems at tax time?

Guard against tax-related frauds. Examples include scam e-mails falsely claiming to come from the IRS. Many of these are intended to trick taxpayers into revealing Social Security numbers and other personal information that can be used by criminals to steal victims' identity and money, including tax refunds. Others involve phone callers saying the taxpayer owes money to the IRS that must be paid promptly by wire transfer (that actually goes to the crook) or by loading funds onto a prepaid debit card and then sharing the number. The scammer may try to intimidate a targeted victim who refuses to cooperate, such as by threatening arrest or suspension of a business or driver's license. For information from the IRS about tax frauds targeting consumers, visit www.irs.gov/uac/Tax-Scams-Consumer-Alerts.

Carefully choose how to prepare your taxes. At tax time, you gather and submit a substantial amount of sensitive information that, if misused, could cause you significant problems. If you are using a computer program to prepare your return, make sure that your computer has an up-to-date security package.

If you plan to hire a tax preparer, consider factors such as the preparer's professional background and the likelihood that the preparer will be around to help you answer questions the IRS may ask months after your return has been filed. For tips from the IRS on how to choose a tax preparer, including red flags to avoid, go to www.irs.gov/taxtopics/tc254.html.

After you choose a preparer, carefully review the completed tax return. Question any income and/or deductions on the return that you do not recognize. Unsupported income and deductions can be signs of an unscrupulous preparer who may deliberately make fraudulent errors, such as inflated claims for deductible expense. When the IRS detects these unsupported claims, the taxpayer is responsible for paying additional taxes, interest and perhaps costly penalties.

Be cautious with offers by tax preparers to handle your refund. These include suggestions that they can somehow get your money faster or that you should direct deposit your refund into any bank account other than your own. These services can be costly and perhaps even put you at additional risk for fraud. "Keep in mind that the IRS issues refunds to more than 90 percent of taxpayers in less than 21 days," noted Luke W. Reynolds, Chief of the FDIC's Outreach and Program Development Section.

Find out if you may be eligible for free tax-preparation assistance through the IRS. One example is the IRS "Free File" program, which allows taxpayers who earn $58,000 or less (for returns to be filed during 2014) to use a software program available to them free through the IRS Web site to prepare and file their federal taxes. Taxpayers who exceed the income threshold and are comfortable calculating and preparing their own returns without a software program can manually complete their federal forms through the IRS Web site.

Also, low-income, disabled, elderly and non-English speaking taxpayers can receive free tax-preparation assistance by trained, certified volunteers through the IRS-coordinated Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs. For details, start at www.irs.gov/Individuals/IRS-Free-Tax-Return-Preparation-Programs.

These various IRS-affiliated options enable you to electronically file your return, which is generally the easiest and fastest way to get your return to the IRS. Note: Certain tax returns are not eligible for e-filing.

Direct deposit your tax refund into your bank account. "Direct deposit is generally the fastest and safest way to get your refund," Reynolds said.

Put some of your refund into savings or toward paying down debt. If you're expecting a refund, consider deciding how much of it you can save toward a goal or for a "rainy day fund" for unplanned expenses. You can direct deposit your tax refund into up to three different accounts at three different U.S. financial institutions, including savings accounts. And, you can use part of your refund to purchase a U.S. Savings Bond for yourself or for someone else. Also consider using part of your refund to pay high-cost loans and other bills, starting with the ones that charge the highest interest rates.

If you owe money on your taxes, consider the best way to pay it. You can have your payment withdrawn electronically from your bank account on a date you specify, such as April 15, but make sure you have enough money in your account. If you don't have money to pay your tax balance, you have several choices, including an IRS monthly installment plan. Also remember that borrowing money on a credit card to pay your taxes can be costly.

Plan for next year's tax return. If you're expecting to receive a significant tax refund or owe money, consider filling out a new W-4 form with your employer to adjust your "personal allowances." This adjustment will reduce or increase the taxes withheld each pay period.

"Many people are excited about getting a big refund, but that really means they have overpaid on taxes and missed an opportunity to invest or otherwise use the money," said Elizabeth Khalil, a Senior Policy Analyst in the FDIC's Division of Depositor and Consumer Protection. "If this happens year after year, it may be time to reevaluate how much you are having withheld."

And, if you owed a lot of money on last year's taxes, you may want to increase your withholding (or your estimated tax payments if you are self-employed) to reduce the risk of a penalty for underpayment of your taxes during the year. Regardless, you may be able to reduce your taxes through contributions to tax-preferred retirement plans and higher education savings vehicles such as a 529 Plan for college savings.

For more information on taxes, start at www.irs.gov or consult a tax advisor. For tips on other useful financial topics, visit www.mymoney.gov.

Test Your Deposit Insurance IQ

Do you think you know how FDIC insurance works? Take our quiz and find out.

1. If your FDIC-insured bank or savings association fails, the $250,000 federal insurance coverage would include both the money you've deposited and the interest you've earned. ***True or False?***

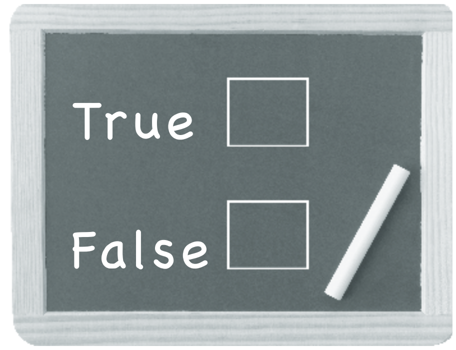
2. Historically, insured funds are available to depositors shortly after the closing of an insured bank. ***True or False?***

3. FDIC insurance protects more than just deposits. If you purchase stocks, bonds, mutual funds or annuities at an FDIC-insured bank, the FDIC also will protect those investments against loss. ***True or False?***

4. The basic insurance limit is $250,000 per depositor per bank but it is possible to qualify for more coverage under the FDIC's rules. ***True or False?***

5. You're thinking about taking a $300,000 lump-sum, eligible rollover distribution from your employer's qualified pension plan and depositing it into two different IRAs at your bank. That's safe to do because each IRA would be separately insured to $250,000. ***True or False?***

6. You want to open a "payable-on-death" account naming your two children as the beneficiaries. Under the FDIC's insurance rules, this account qualifies for $500,000 of insurance — $250,000 for each eligible beneficiary — not $250,000 in total. ***True or False?***



7. You have three different joint accounts at the same bank — one for $250,000 with your spouse, another for $250,000 with your sister, and a third for $250,000 with your brother. Because you own each account with a different person, each account qualifies for $250,000 of insurance. ***True or False?***

The Answers

1. True. If your insured institution fails, FDIC insurance will cover your deposit accounts, including principal and any accrued interest, up to the insurance limit.

2. True. The FDIC protects insured depositors by arranging an immediate sale to a healthy bank or paying depositors by check within a few days after a bank closing. And remember that since the start of the FDIC in 1933, no depositor has ever lost a penny of insured deposits. Note: Certificates of deposit (CDs) purchased or arranged through a broker may take longer to be paid because the FDIC may need to obtain the broker's records to determine insurance coverage.

3. False. The FDIC does not insure the money you invest in stocks, bonds, mutual funds, life insurance policies, annuities or municipal securities, even if you purchased these products from an insured bank. The FDIC also does not insure U.S. Treasury bills, bonds or notes, although those investments are backed by the full faith and credit of the United States government.

4. True. You may qualify for more than $250,000 in coverage at one insured institution if you own deposit accounts in different ownership categories as defined by the FDIC. The most common ownership categories are single, retirement, joint and revocable trust accounts (accounts in which the owner retains full control over the money during his or her lifetime). Your deposits in each of those categories are separately insured to $250,000. If certain conditions are met, your revocable trust accounts are insured up to $250,000 for each beneficiary. For more details, consult the FDIC publication "Your Insured Deposits" (www.fdic.gov/deposit/deposits/insured).

5. False. All of your self-directed retirement accounts (you decide where the money is deposited) at the same insured bank are added together and the total is insured up to $250,000. Opening multiple IRAs or adding beneficiaries will not increase insurance coverage.

6. True. In general, the owner of payable-on-death (POD) accounts and other revocable trust accounts at a bank is insured up to $250,000 for each "eligible beneficiary." To be eligible, a beneficiary must be a living person, a charity or a nonprofit organization (the latter two must be valid under IRS rules). If the owner names five or fewer beneficiaries, he or she will qualify for $250,000 of coverage for each different beneficiary named. Different rules apply, though, if there are six or more beneficiaries. Using our example, and assuming this is the only POD account you have at this bank, if you establish a POD account naming your two children as beneficiaries it would be insured up to $500,000.

7. False. For each $250,000 joint account, your ownership interest would be $125,000 as the interests of the co-owners are presumed equal. This means your interest in all three joint accounts would be $375,000. But under the FDIC's rules, each person's interest in all joint accounts at the same institution is insured up to a combined total of $250,000. In this example, you'd be uninsured in the amount of $125,000.

How Did You Do?

If a little extra homework is needed — to be sure your deposits are entirely safe in the unlikely event of a bank failure — visit www.fdic.gov/deposit/deposits for extensive information about FDIC insurance coverage. If you need additional assistance, call toll-free 1-877-ASK-FDIC (1-877-275-3342), send an e-mail by starting at www2.fdic.gov/starsmail, or write to the FDIC, Attn: Deposit Insurance Outreach Group, 550 17th Street, NW, Washington, DC 20429.

Do You Owe on a Home Equity Line? Prepare for Rising Payments

A home equity line of credit (HELOC) provides a way to borrow up to an approved credit limit using your house as collateral. When mortgage interest rates recently were at all-time lows, millions of homeowners signed up for HELOCs. But since then, interest rates have been going up, and many experts have predicted that they will continue to rise.

"It's a good idea to pay attention to rising interest rates and think about whether you would be able to handle all your household expenses if your monthly HELOC payments increase or you reach the end of your draw period and have to pay off the total outstanding balance by making a large 'balloon' payment," cautioned Glenn Gimble, a Senior Policy Analyst at the FDIC. "Remember, you will damage your credit score and you could even lose your home if you do not repay your home equity line of credit as agreed."

First, it is important to understand how your loan payments are calculated and how to determine whether your payments in the future may increase, perhaps significantly, especially if you have a HELOC with a variable interest rate. Your HELOC also could allow you to pay only the interest on the money you "draw" (borrow) from the credit line in the early years, after which your monthly payment amount will increase (to start paying off the money borrowed), even if the interest rate remains the same.

If you believe that making future HELOC payments will be a strain, work to find a solution as soon as possible—ideally, well before you miss any payments. Discuss your concerns with your lender, and do not hesitate to explore your options with other lenders. These are some possibilities to consider:

• Pay off your HELOC by borrowing a set dollar amount using a second mortgage (another type of home equity product) with a fixed interest rate;

• Pay off both your HELOC and your current first (main) mortgage by refinancing them into a new mortgage loan at a fixed interest rate; or

• Contact your lender to request a repayment plan at a lower interest rate. This would likely involve the lender suspending your ability to borrow additional money. The lender also might continue to charge fees, such as an annual fee, that you have agreed to pay.

"Check with a financial advisor to determine which option may be best, particularly if you decide to refinance your first mortgage," said Sandra Barker, an FDIC Senior Policy Analyst.

For additional tips from the Federal Reserve Board and the Consumer Financial Protection Bureau, visit http://files.consumerfinance. gov/f/201401_cfpb_booklet_heloc.pdf. 🏛

News Briefs

National Consumer Protection Week: The FDIC once again will be among the organizations supporting this nationwide campaign (March 2-8, 2014) by issuing tips and information that will help consumers make better-informed decisions. Starting February 27, 2014, visit www.fdic.gov/ncpw for details on what the FDIC will be featuring. For all the consumer information that is accessible year-round on the NCWP Web site, start at http://www.ncpw.gov/consumer-topics.

Free FDIC Publications for E-Readers: "Your Insured Deposits," a comprehensive guide to deposit insurance coverage, is now available for readers of electronic devices at www.fdic.gov/deposit/deposits. Recent e-reader ready issues of ***FDIC Consumer News***, starting with the Summer 2013 edition, will also be available at www.fdic.gov/consumernews.

New Guides for Financial Caregivers: The Consumer Financial Protection Bureau has published four new guides for individuals who manage money or property for a loved one who is unable to pay bills or make financial decisions. To read, print or order copies, start at http://www.consumerfinance.gov/managing-someone-elses-money.

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For More Help or Information

Go to www.fdic.gov or call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342)

Your Credit Cards
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such as a plastic sleeve inside a card slot or other possible signs of tampering.

If you have lost your card or are the victim of identity theft, contact your credit card company as soon as possible. Write down the contact number printed on the back of your card and keep it somewhere else that you can quickly access.

Recent security breaches at a few major retailers have some consumers concerned about using their credit cards. Federal law protects consumers from unauthorized activity, and card issuers often will waive any liability for fraudulent purchases that are reported promptly. For more tips on avoiding fraud and reporting identity theft or unauthorized charges, see Page 4.

To try to resolve a complaint, first contact your card issuer. Before calling, think through and summarize what the problem is and what you'd like done about it. This will help you remember the key points of the issue. In case the financial institution doesn't agree to your solution, think about other alternatives you might propose or accept.

"If you're having trouble resolving a complaint with the credit card issuer you can consider taking your concerns to the institution's federal regulator," pointed out DCP Director Mark Pearce. "Doing so not only can assist a consumer with a legitimate complaint, but it also provides the regulator with important information on consumer concerns and trends in general."

The FDIC and other banking regulators can't settle contract disputes between a bank and a consumer, but they often can assist consumers in other ways, such as helping people understand confusing information, contacting the issuer and initiating a formal review process, and/or taking supervisory actions if the institution is in violation of a law or regulation. To find the regulator for an FDIC-insured institution, you can use our online directory at http://research.fdic.gov/bankfind or call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342).

For more tips and information, start at the FDIC Web page "How to Choose and Use a Credit Card" at www.fdic.gov/consumers/consumer/ccc/choose.html. Another resource is a set of questions and answers developed by the Consumer Financial Protection Bureau at www.consumerfinance.gov/askcfpb.

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statements, tax returns and blank checks in a secure place. And, shred any sensitive documents instead of just throwing them in the trash, because thieves look through trash to find this type of information to commit identity theft or other crimes.

10. Guard your incoming and outgoing mail. From time to time, your mailbox may contain credit card or bank statements, documents showing confidential information, or checks you are sending. For incoming mail, try to use a locked mailbox or a mailbox in a secure location. Put outgoing mail, especially if it contains a check or personal information, in a U.S. Postal Service mailbox or take it to the post office.

To learn more about avoiding fraud, see back issues of ***FDIC Consumer News*** (online at www.fdic.gov/consumernews) and the FDIC's multimedia presentation "Don't Be an Online Victim" (at www.fdic.gov/consumers/consumer/guard/index.html). Also find tips from the interagency Financial Fraud Enforcement Task Force at http://www.stopfraud.gov/protect.html. For information about tax-related scams, see Page 5 of this issue of our newsletter.