FDIC Consumer News

Winter 2001/02

Weathering a Financial Storm

Income down? Expenses and stress level up? When the going gets tough, here's how the tough can keep going.

Illustration: T.W. Ballard

Even in a booming economy, millions of Americans face financial problems that can start with the loss of a job, a death or illness in the family, a divorce or separation, or an inability to control spending and borrowing. But when the economy slows down, as it has recently, many more people may have concerns about their financial well-being.

"Mounting job losses combined with high consumer debt levels are stressing the financial capacity of many households," FDIC financial analysts Robert Burns and Lisa Ryu said in a report issued in early December. Also, stock market losses and reduced yields on CDs (certificates of deposit) and bonds are part of the problem, especially for senior citizens who rely on this income for living expenses. And, if you live paycheck-to-paycheck, it's hard to build a rainy-day fund to weather a financial setback.

What can you do to protect yourself and your family if you're having financial troubles... or if you simply want to be better prepared financially? ***FDIC Consumer News*** offers the following tips and information, much of which can be good advice for anyone at any time.

1 Review your priorities... and your spending. Start with a look at your monthly expenses. Remember that your family's welfare comes first, so make sure to continue the payments on your home, utility bills and insurance. Also make sure you have enough insurance to protect your family—disability insurance to replace lost income during a serious illness, life insurance in case a wage earner dies, and health insurance to cover big medical bills.

Next look at where you can consider cutting back. Possibilities include: restaurant meals, entertainment (including expensive ball games and "premium" TV channels), and costly Internet and phone services you really don't need or use. You can decide to give up some expenses temporarily, and you may find you really didn't need them anyway.

2 Be smart about borrowing money. Interest payments on credit cards, home mortgages and other loans are an expense, so think about what you can do to keep these and other borrowing costs down. Among the strategies to consider:

• Pay off your highest-rate loans (usually your credit card or department store charge card) with funds from your lowest-yielding savings and investments. If you have several credit cards, target the one with the highest interest rate, pay it off, and then move to the card with the next highest rate. As you pay off card balances, consider keeping just one or two cards (the ones with the best combination of rates, fees and features to suit your needs).

• "Try to pay all or as much as possible of your credit card bill each month, so you can avoid high interest charges," says Jane Schuchardt, the national program leader for consumer financial education at the U.S. Department of Agriculture's Cooperative Extension Service (see Page 5). "But if all you can manage is to send in the minimum payment, make this a priority."

• Be sure to get your credit card and other loan payments in by the due date to avoid late charges and black marks on your record. If your payments become more than 30 days past due, your lender may report this delinquency to credit

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bureaus. This information can remain in your credit file for seven years and make it more difficult or more costly to obtain credit.

• If you're having serious debt problems, think twice before using your credit card for new purchases. Instead, consider paying with cash, a check or a debit card (which deducts funds automatically from your bank account). And remember that when you use your credit card to get a cash advance from an ATM, that's considered a loan, and you will incur interest charges immediately, and maybe even transaction fees.

• Review interest rates and terms of existing loans to see if you can do better. For example, find out if your credit cards offer a "full" grace period (25 days or more of interest-free purchases) or if you are being charged interest immediately on new purchases. Ask your credit card issuer about a reduced interest rate, a more favorable grace period, or other features that can cut your costs. If you're not satisfied with the answer, shop for a better deal. Refinancing your home mortgage at a significantly lower interest rate also can greatly reduce your monthly payments, but you've got to shop around and consider the impact of loan origination fees and other costs. Many people also don't think about refinancing an auto loan or a student loan, but those can be other places to cut monthly payments.

• As the ads say, if you have equity (ownership) in your home you can get a home equity loan to pay off credit card debt, consolidate several existing high-rate loans into one new loan with a lower rate, or raise cash in an emergency. Your interest payments on home equity loans also may be tax-deductible. But because your home is the collateral backing the loan, if you can't make the monthly payments, you could lose your house. Shop for the best deal and know all the costs before you agree to anything. Here's another tip: With a home equity line of credit, which enables you to borrow up to the credit limit whenever you want, you'll get the best interest rate and loan terms if you apply when your finances are in good shape, not if you're out of work or having debt problems.

• A reverse mortgage is another type of home equity loan for people age 62 or older, and it, too, comes with certain risks and rewards. With a reverse mortgage, a lender will pay *you* money (which is why it's called a reverse mortgage) in a lump sum, monthly advances, through a line of credit, or a combination of those options. The money can be used for any purpose, and the principal and interest typically become due when you move, sell your house or die, or at the end of a specified loan term. But remember, the loan eventually must be repaid, so you will be reducing your equity in the home's value, perhaps substantially, after you add in the interest costs. The fees and interest charges can be high, so shop around. Because your home is valuable to you and your heirs, consult with your family as well as an attorney or another trusted advisor before agreeing to a reverse mortgage. "Understanding your rights and responsibilities is the best way to minimize the risk of borrowing against your home," says Susan Boenau of the FDIC's consumer affairs division in Washington.

There are resources in the government, the private sector, even in your circle of family and friends, that you can turn to for help.

• Obtain a copy of your credit report about once a year and make sure it accurately reflects your credit history. That way you can provide missing details or fix inaccurate information *before* you apply for your next loan. A copy of your credit report is available free in some states or for a small fee in others. Call any of the three nationwide credit bureaus at these toll-free numbers: Equifax at (800) 685-1111, Experian at (888) 397-3742, and Trans Union at (800) 888-4213. Many experts suggest that you request copies from all three companies because content may vary significantly.

3 Commit to a savings program. If you follow our previous suggestions for reducing outlays, you should have more money available to build an emergency savings fund in your bank or brokerage account that you can tap if you lose your job or have major, unforeseen expenses. It may take time, but many experts say you should try to build a rainy-day fund equal to three to six months of living expenses, to get you through a difficult period without having to take out a loan or borrow from your retirement savings. If necessary, temporarily cut back on your savings for long-term goals (such as retirement) until you've built up your short-term emergency savings.

How can you build an emergency savings fund if you're struggling to make ends meet? Consider a simple, tried-and-true system often called "pay yourself first." Each month, before you pay your bills, write out a check to be deposited into a savings account, even if it's for as little as $20 or $30. Or, arrange with your bank to automatically transfer each month a certain amount from your checking account to a savings account.

4 Know when and where to ask for help. If you think you've got a serious debt problem, it's in your best interest to address it immediately. You may be able to solve your problems on your own by doing some research at your local library or on the Internet. But many people may need to turn to others for assistance. A knowledgeable friend or relative may be able to suggest solutions for your problems or direct you elsewhere. Your employer may have an arrangement with financial counselors as part of your employee benefits. Or, you can go to a credit counseling service that, at little or no cost, can help you get out of debt. It's easy to find a service—many are listed in the Yellow Pages or on the Internet. The important thing is to find a reputable outfit that charges reasonable fees. (Be aware that there are questionable operators or even credit repair scams, as described under Point #5 in this article.) Perhaps your attorney, accountant or some other trusted professional can refer you to a reliable credit counselor.

The FDIC can't recommend or endorse individual credit counseling services. We strongly advise you, though, to ask questions before signing any agreement. Among the questions to ask: What does your service involve? What are the fees? What are the qualifications of the credit counselors? Why will I be better off if I use your service? How much input will I have in working out the details of any program to improve my financial situation? Any reputable credit counselor should be willing to answer these and any other questions.

Suppose your debt problems are so serious that you'll have trouble making payments on your credit cards or other loans. Then, it's generally recommended that you (or maybe your credit counselor or another representative) contact your lenders to explain why you're having problems—especially any circumstances beyond your control—and ask about getting some flexibility. For example, a lender may agree, permanently or temporarily, to reduce your interest rate, monthly payments or other changes, especially if you've had a good record in the past.

Why would a lender renegotiate a loan, even if it may mean not getting back all that you owe? "A lender would rather get something rather than nothing, and not have to go through the cost of paying a debt collector," says Janet Kincaid, a Senior Consumer Affairs Officer in the FDIC's Kansas City office. "But for the most part, banks and other lenders want to work with you and see you succeed financially. They want you to be a good customer for a long, long time."

The time to go to your lender and ask for a renegotiation of your loans is *before* your credit cards are cancelled, your loans are turned over to a collection agency, your credit record is severely damaged, or you face the prospect of bankruptcy. But be aware that there are potential risks in asking your lender for a break. "Many credit card agreements enable the lender to raise your interest rate or even close your account if the lender has reason to believe you may not be able to pay the debt," says Joni Creamean, a Senior Consumer Affairs Specialist with the FDIC in Kansas City. "Some lenders automatically close your credit card account or won't authorize new charges if they're notified that you've enrolled in a credit counseling program." Because of these and other potential pitfalls, Creamean says, your best bet may be to explore your options and, if you choose credit counseling, make sure to use a reputable organization you believe will best represent you in negotiations with your lenders.

Six Warning Signs of a Financial Problem

- More than 20 percent of your monthly net income is going to pay back credit cards and other loans (excluding a mortgage).
- You're borrowing money to make payments on loans you already have.
- You're frequently at, near or over the limit on your credit cards.
- You're only paying the minimum required on your credit card bill.
- You're paying bills late or putting off visits to the doctor because you don't think you have enough money.
- You're working overtime or a second job just to cover food, housing and other living expenses.

5 Beware of scams. Unfortunately, con artists are always around, but they can be especially dangerous during uncertain times. Why? Because people who are worried about jobs, investments or retirement savings are more likely to be taken in by attractive-sounding financial offers that, in reality, are frauds. Sadly, elderly people often are the intended victims, in part because they have special concerns about running out of money for necessities. Among the financial frauds that tend to flourish during tough economic times:

- Bogus offers of "easy credit" and "guaranteed loans" for people with credit problems. Swindlers will collect money up-front in exchange for nothing at all, for credit cards or loans that have big strings attached, or for basic services you could do on your own.

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• Promises to erase a bad credit history for a fee. Don't fall for this scam. Under the Fair Credit Reporting Act, accurate information about your accounts can stay on your credit report for up to seven years, and a bankruptcy can be reported for 10 years. "A bad credit history can only be repaired by steady and consistent on-time payments," says FDIC fraud investigator Gene Seitz. "Nobody can legally 'erase' bad credit overnight."

• Guarantees of easy money from investments or business opportunities typically are based on false or exaggerated claims. Much or all of the money you're asked to send will likely be lost. (For more about investment scams, see the next article.)

In general, be careful with any unsolicited offer. While legitimate companies do use "cold calls" to reach new customers, be very skeptical if the offer is for a "tremendous" deal from an unfamiliar company, and never provide your Social Security, checking account or credit card number in response to an unsolicited call or letter.

Final Thoughts

You've known all along that it's smart to control your spending, to save money for a rainy day, and to be on guard against financial scams. But knowing and doing are two different things. We hope we've given you new insights and new incentives for doing what you need to do to protect yourself and your family from tough times. We also want you to know that you don't have to cope with financial problems and dilemmas alone—there are resources in the government, in the private sector, and even in your circle of family and friends, that you can turn to for help. "It isn't enough to be aware that financial emergencies can happen," says the FDIC's Kincaid. "You've got to be proactive, too."

If It Sounds Too Good to Be True...

When the economy is weak, con artists come on strong with enticing investment offers. Don't take the bait.

With deposit interest rates low, stocks in a slump, and bonds providing little relief, chances are you may be looking for attractive investment alternatives. But beware! Fraud artists may be looking for you, too, because this kind of economic environment is ripe for investment scams that typically start with offers of "guaranteed" big returns (even up to 100 percent or more), business opportunities and other "no-risk" deals. And while people of any age can be victims of an investment scam, older citizens often are specially targeted. ***FDIC Consumer News*** wants to remind readers about investment scams that continue to find victims.

Fraudulent sales of stocks, bonds and other financial instruments: Federal and state law enforcement authorities still find age-old "Ponzi" or "pyramid" schemes, where scam artists promise high returns and use the money of some investors to pay off other investors...until the con artist decides to flee the area and leave some people with nothing but worthless paper. Another common scheme involves fantastic returns based on "secret" or inside information about (nonexistent) investments in financial instruments of elite foreign banks. Also, be wary of investment seminars promising easy money, as many times these only enrich the sponsor.

False or misleading sales of certificates of deposit (CDs): The trusted bank CD issued by FDIC-insured institutions has long been considered to be among the safest financial investments available because of the deposit insurance protection of up to $100,000. However, unsuspecting consumers increasingly are being victimized by criminals or unscrupulous brokers who use improper or confusing disclosure statements or outright fraud. For example, shady brokers have sold elderly people CDs with a very long maturity, perhaps a 20- or 30-year commitment for the investor, by misleading the consumers into believing the CD can be redeemed without penalty after, say, one year. (These refer to "callable" CDs, which only the issuing bank, and not the investor, can redeem early without penalty.) There also have been reports of Internet or newspaper advertisements claiming to offer unusually high interest rates for CDs from banks that investors later learned were bogus.

Promissory note fraud: A promissory note is an interest-paying IOU generally issued by companies wanting to raise cash to finance operations. Investors in these notes tend to be other corporations, not consumers, because a sophisticated analysis is recommended before putting up money. However, criminals have preyed on unsuspecting consumers by offering guaranteed high rates of return on promissory notes that are bogus, often for non-existent companies, and the investor soon discovers that the entire investment is lost.

The "Nigerian scam": This fraud, around since the 1980s, has bilked investors out of *billions* of dollars and, despite ongoing warnings (including some that have appeared previously in ***FDIC Consumer News***), is alive and well. Here's generally how it works: You receive an unsolicited fax, e-mail or letter from someone claiming to be a foreign government official, business executive or citizen asking for your "help" in one of many scenarios. Perhaps the letter offers a lucrative reward or business opportunity if you allow the perpetrators to "park" funds in your U.S. bank account. But first, you will be required to pay various types of government "fees" and "taxes." For those who comply, their money is gone forever. This fraud is widely known as "the Nigerian scam" because it originated in Nigeria and still flourishes there, but be advised that crooks in other countries are copying it.

How can you avoid being taken by these and other investment scams? ***FDIC Consumer News*** asked FDIC fraud examiner Pete Hirsch for a list of common-sense do's and don'ts:

• **Be wary of unsolicited investment offers.** First, never divulge your Social Security number, bank account numbers and other personal information in response to an unsolicited phone call or letter. Also, be especially skeptical if the sales pitch includes promises of guaranteed profits or yields that far exceed traditional investments. "One thing that virtually all of these scams have in common is that they sound too good to be true," says Hirsch. He adds that if you're being pressured to make a decision immediately, "that's another warning sign that this is probably not an investment for you."

• **Deal only with legitimate, reputable marketers.** Before sending money or personal information to an unfamiliar person or company, do your research. For example, check whether a broker or company is registered or licensed to do business by the state or federal government, because that gives you additional assurance that the marketer is legitimate. To confirm that a banking institution is legitimate and insured, you can contact the FDIC at the addresses and phone numbers listed on Page 7 or check our online database of FDIC-insured institutions at www3.fdic.gov/idasp.

• **Get key details in writing, and independently research the investment.** For example, before purchasing a bank CD from a broker, you should confirm, in writing: the name of the bank; when the bank can "call" or redeem the CD; when you can withdraw your money without the possibility of a loss or penalty; and what it could cost if you withdraw your money early. "Reputable companies will be happy to answer questions or provide requested documentation," Hirsch says. "If a company won't disclose information in writing, don't invest." Once you have the specifics of a deal, run the proposal by a knowledgeable, trusted third party—perhaps an attorney or accountant.

What should you do if you think you've already been victimized by an investment scam? Start by contacting the police department. If you believe the fraud originated in a foreign country, contact the police as well as the nearest office of the U.S. Secret Service, listed in the government (blue) pages of your local phone book. Even if you don't recover your investment, Hirsch says, "your help in alerting law enforcement authorities may protect other people from a similar fate."

Government Agencies That Can Help

The FDIC and other federal regulators of depository institutions offer publications, Internet sites, staff and other resources that can answer questions about saving and borrowing money and your rights as a consumer. For phone numbers, addresses and Web sites, see Page 7 of this newsletter.

The Federal Trade Commission works to prevent fraudulent or deceptive business practices and provides consumer information about buying and borrowing. To file a complaint or to get free information, call toll-free (877) FTC-HELP—(877) 382-4357—or fill out a form at www.ftc.gov.

Other consumer information from the federal government is available free. The Federal Consumer Information Center in Pueblo, Colorado, offers a wide assortment of consumer publications, including the popular "Consumer Action Handbook." Call toll-free at (888) 8-PUEBLO, which is (888) 878-3256, or go to www.pueblo.gsa.gov to read or order these publications. Check out www.consumer.gov, another U.S. government Web site offering online consumer information from federal agencies, including the FDIC. Another resource is the Cooperative Extension Service, a partnership between the U.S. Department of Agriculture and state and county governments that teaches personal finance skills through publications, Web sites and workshops. Contact the Cooperative Extension Service in the county government listings in your phone book or go to www.reeusda.gov/ecs/cfe.htm.

Your state government also may offer assistance and information to people having financial or legal problems. Contact your state's Attorney General's office or consumer protection office as listed in your phone book or other directories, or visit your state's official Web site.

Have You Reviewed *Your* Insurance Coverage Yet?

We're pleased to say that our Fall 2001 edition of ***FDIC Consumer News***—a special report explaining why and how people should make sure all their funds are fully protected—is making a difference. Several thousand consumers called or wrote the FDIC with questions about their insurance coverage. "Most of the consumers had over $100,000 at their bank, and for the large majority, we were able to confirm that their accounts were fully insured," says Kathleen Nagle, a supervisor with the FDIC's consumer affairs division. "But some people had uninsured funds and didn't realize it, and we're happy that we could help them bring all their deposits within the FDIC insurance limits."


FDIC Consumer News
Fall 2001
Special Report: Are You Sure You're Fully Insured?

As part of our ongoing effort to help you understand your FDIC insurance coverage, here are some recent questions from consumers (and our answers), plus details on how to get more information.

My husband and I set up a revocable living trust to pass money to our three children when we die. To fund the living trust account, we closed a payable-on-death (POD) account. Is our insurance coverage the same?

Probably not. POD accounts are pretty straightforward—they usually just include a line stating that the money is payable on death to certain people or is in trust for them. Under the FDIC's rules for POD accounts, each owner's share can be insured up to $100,000 *per beneficiary* if the beneficiary is the owner's spouse, child, grandchild, parent or sibling. If two parents have one POD account naming their three children as beneficiaries, the account could be insured for *up to $600,000.*

But because a typical living trust document imposes conditions—perhaps a requirement that a child graduate from college before a certain age or forfeit the right to the trust funds—the money may not be considered payable on death. Instead, the trust likely would be insured as the grantor's individual funds up to a maximum of $100,000. So, if a husband and wife establish a revocable living trust with conditions for their three children, the FDIC probably would treat the account as two single-ownership accounts with insurance limited to $200,000 ($100,000 for each owner), not $600,000 as with a POD account. "If you have a deposit account in the name of a living trust, you should assume that it will be added together with any other accounts in your name and insured only up to $100,000," says FDIC attorney Christopher Hencke.

I have two Individual Retirement Accounts at a bank. Is each IRA separately insured to $100,000? Also, if I add beneficiaries, can I increase my insurance coverage?

All your retirement funds at a bank (except for Education IRAs) are added together and insured up to $100,000, separate from any non-retirement funds you have at the bank. "You cannot increase the coverage of your IRA by dividing the money among multiple IRAs or by adding beneficiaries," says Kate Spears, a deposit insurance specialist in the FDIC's consumer affairs division.

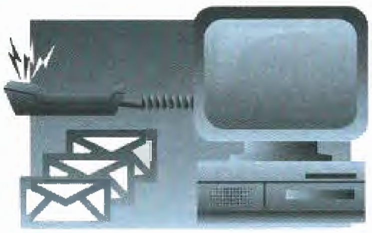
I intend to briefly have money in the bank well over the $100,000 insurance limit. How can I make sure that bank is healthy?

Most people don't need to worry about their bank's financial condition if their funds are deposited in an FDIC-insured institution and are within the $100,000 insurance limit. But if you choose to deposit more than the $100,000 limit, you have several options for learning more about the health of an institution (although you should know that predicting when or if a bank will fail is tricky business). Financial data for each federally-insured bank and savings institution can be obtained free of charge using the "Institution Directory" service at www3.fdic.gov/idasp on the FDIC's Web site. But because the average person may have difficulty understanding this financial information, the FDIC makes available a list of private companies that provide their ratings and analyses of individual banks and savings institutions, usually for a fee. The FDIC posts a list of these companies on our Web site at www.fdic.gov/bank/individual/bank/index.html as a public service and not as an endorsement of the companies or a confirmation of their conclusions.

For Help With Your Insurance Coverage

Among your options: You can call us toll-free to speak with an FDIC insurance expert or request copies of FDIC publications such as "Your Insured Deposit" and the quarterly ***FDIC Consumer News*** (including the Fall 2001 special report we told you about above). Or, you can go to the FDIC Web site (www.fdic.gov) to e-mail your questions to us, read our publications or even use an online insurance estimator called EDIE. For details about how to contact us, see the next page.

For More Information



The **Federal Deposit Insurance Corporation** insures deposits up to $100,000 at banks and savings associations, and supervises state-chartered banks that are not members of the Federal Reserve System. The FDIC's services include a toll-free consumer assistance line, answers to written questions, and informational material. Toll-free phone: (877) ASK-FDIC or (877) 275-3342. The phone line is staffed Monday through Friday, 8:00 a.m. to 8:00 p.m., Eastern Time. Recorded information is available 24 hours a day. The toll-free TTY number for hearing-impaired consumers is (800) 925-4618. Home Page: www.fdic.gov. Mail: 3501 N. Fairfax Drive, Arlington, VA 22226.

For questions about deposit insurance coverage: Contact the FDIC's Division of Compliance and Consumer Affairs at the address and phone numbers above, by fax to (202) 942-3098, or by e-mail using Customer Assistance Form on the Internet at www2.fdic.gov/starsmail/index.html. The National Credit Union Administration (listed below) insures deposits up to $100,000 at federally insured credit unions.

For questions about consumer or civil rights laws, or complaints involving a specific institution: First attempt to resolve the matter with the institution. If you still need assistance, write to the institution's primary regulator listed on this page. Although the FDIC insures nearly all banks and savings associations in the United States, the FDIC may not be the primary regulator of a particular institution. Other regulators are listed below. To submit a complaint about an FDIC-supervised institution, contact the FDIC Division of Compliance and Consumer Affairs as listed above. For inquiries involving problems or complaints related to the FDIC, contact the FDIC Office of the Ombudsman at the mailing address and phone numbers listed above, by fax to (202) 942-3040, or by e-mail to ombudsman@fdic.gov.

The **Federal Reserve System** supervises state-chartered banks that are members of the Federal Reserve System. Phone: (202) 452-3693. Fax: (202) 728-5850. Home Page: www.federalreserve.gov. Mail: Division of Consumer and Community Affairs, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

The **Office of the Comptroller of the Currency** charters and supervises national banks. (The word "National" appears in the name of a national bank, or the initials "N. A." follow its name.) Phone: (800) 613-6743. Fax: (713) 336-4301. Home Page: www.occ.treas.gov. E-mail: consumer.assistance@occ.treas.gov. Mail: Customer Assistance Group, 1301 McKinney Street, Suite 3710, Houston, TX 77010.

The **Office of Thrift Supervision** supervises federally and state-chartered savings associations plus federally chartered savings banks. (The names generally identify them as savings and loan associations, savings associations or savings banks. Federally chartered savings associations have the word "Federal" or the initials "FSB" or "FA" in their names.) Phone: (800) 842-6929 or (202) 906-6237. Home Page: www.ots.treas.gov. E-mail: consumer.complaint@ots.treas.gov. Mail: Consumer Affairs Office, 1700 G Street, NW, Washington, DC 20552.

The **National Credit Union Administration** charters and supervises federal credit unions, and insures deposits at federal credit unions and many state credit unions. Phone: (703) 518-6330 Fax: (703) 518-6409 Home Page: www.ncua.gov. E-mail: pacamail@ncua.gov. Mail: Office of Public and Congressional Affairs, 1775 Duke Street, Alexandria, VA 22314.

Your state government also may offer assistance and publish useful information. Contact your state's Attorney General's office, consumer protection office or financial institution regulatory agency as listed in your phone book or other directories, or visit your state's official Web site.

FDIC
Consumer News

Published by the Federal Deposit Insurance Corporation

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On the Internet

Consumer information from the FDIC is available at www.fdic.gov.

Find current and past issues of ***FDIC Consumer News*** at www.fdic.gov/consumers/consumer/news/. To receive e-mail notification of new issues, with links to stories, write to listserv@peach.ease.lsoft.com and type "Subscribe FDIC-consumernews" (include the hyphen) and your name in the message area.

New Brochure Explains Your Rights to Privacy

The FDIC and other federal government agencies have published a new brochure to help consumers understand their right to "opt out" or say "no" to certain information-sharing by banks and other financial companies. The publication—"Privacy Choices for Your Personal Financial Information"—explains the importance of privacy notices from financial companies as well as the rights and responsibilities of consumers under the federal Gramm-Leach-Bliley Act of 1999. The new guide is available from the five federal regulators of depository institutions (listed on Page 7 of this newsletter) as well as from the Commodity Futures Trading Commission, the Federal Trade Commission and the Securities and Exchange Commission. To obtain a copy from the FDIC, contact our Public Information Center (Page 7), or read or print the publication at www.fdic.gov/consumers/privacy/privacychoices on the FDIC's Web site.

Tips for Hanging Up On Fraudulent Calls

Americans lose more than $40 billion a year to fraudulent telephone calls for everything from vacations and lotteries to credit-card protection and loans. That's why the Federal Trade Commission has developed a new Web site (www.ftc.gov/telemarketing) to help consumers tell the difference between unsolicited calls from con artists and those from legitimate sales people. If you don't have easy access to the Internet, you can order a copy of the new FTC brochure "Ditch the Pitch: Hanging Up on Telephone Hucksters," by calling toll-free (877) FTC-HELP or (877) 382-4357.

Now on Sale: Patriot Bonds

The U.S. Treasury Department has designated the latest Series EE Savings Bonds as "Patriot Bonds" to encourage Americans to contribute to the government's war on terrorism and save for their future. As with all Treasury securities, the proceeds will go into the federal government's general fund and not for any one purpose. The Patriot Bond is identical to other Series EE bonds except that "Patriot Bond" is printed on top. Patriot Bonds can be purchased through participating financial institutions or on the Internet using the Treasury's "Savings Bond Direct" service. For more information, go to www.savingsbonds.gov on the Web.

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