

# TOP DOLLAR™

HELPING YOU MAKE THE MOST OF YOUR MONEY

Volume 12 • No. 5

## Is That Freebie Offer Really Free? 5 Ways to Avoid Getting Scammed

You've seen the online ads offering free computers, iPods and credit reports for simply filling out a survey or signing up for a "trial" offer. It all sounds too good to be true, and in most cases, it is. *Consider these tips before you sign up for a freebie:*

- 1 Go to a well-known site.** If you haven't heard of the company, do an Internet search by typing the name of the Web site and the word "scam." You'll learn quickly whether or not the freebie offer is a scam.
- 2 Read the offer twice.** You may think it says you'll receive the item when you complete the survey, but the ad actually says you'll be *registered* in a drawing for an opportunity to win.
- 3 Make a phone call.** Give the company a call to make sure it has a working phone number, especially if the business address is not listed.
- 4 Examine the fine print.** Terms, conditions and privacy policies vary. Make sure you understand what the company will do with your data. Handing over personal information may not be worth that "freebie."
- 5 Watch for strings.** When signing up for a free trial, you often have to provide a credit card — which can be charged if you don't cancel according to the company's rules. Make sure you know how to cancel without incurring a fee.

**Remember:** We're all looking for ways to save money and score a bargain. But "free" deals are rarely free. Carefully consider all the implications of the offer before you sign up.

## Back to School – Smart Ways to Save

It's that time of year again. Don't let back-to-school shopping sabotage your budget. Try these money-saving strategies and finish shopping with cash left over to use throughout the year.

- **Know what is "essential."** Stick to a list of necessary supplies so you can avoid buying expensive impulse items.
- **Set a limit and stick to it.** Just as with any other purchase, create a budget so you know how much you have to spend.
- **Recycle backpacks and binders.**

There's no need to purchase a new backpack or binder if last year's is still in good shape. Most backpacks are machine washable and simply need a good cleaning to be ready for the new school year.

- **Consider bulk shopping.** Go in with friends, family and classmates to buy basics in bulk at warehouse stores.

- **Look for school-season rebates.** Check circulars and newspaper ads for rebate offers from many national retail chains. As with all rebates, be sure to follow directions and save receipts to qualify for the cash back.

• **Buy demos, refurbished and display products.** This merchandise can offer significant savings. Ask about the warranties and return policies on big-ticket items such as computers and electronics, and check the packaging carefully.

**Final thought:** Whenever possible, use cash and leave your credit cards at home. Save your receipts and add them up at the end of each shopping trip to make sure you're staying on track.

## Is Your Homeowners Insurance Up to Date?

Spring and summer are popular seasons to make home improvements. Did you build a new deck in July? Renovate your kitchen or bring that guest bathroom into the 21st century? Home improvements can quickly add to your home's value, but many homeowners fail to update their insurance policies as they should. *Tips for working with insurance companies:*

- **Prepare for increases.** *Tip:* Compare the difference in quotes that consider the improvements *before* you actually begin the renovations. An increase in your home's value usually translates into slightly higher premiums.
- **Consider the upgrades.** Don't forget to mention if you've upgraded your home's heating, plumbing or electrical systems. Discounts may apply here too.

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"The safest way to double your money is to fold it over and put it in your pocket." — Kin Hubbard



## NEW CAR COME-ONS Reading Between the Lines of Car Dealer Ads

Zero percent or low-interest financing, no money down and we'll pay off your existing loan no matter how much you owe. Many new-car dealers advertise some amazing offers designed to get you driving away in a new car this weekend. But deciphering the best deal requires some careful ad comparisons.

You have to consider many factors when deciding if a special offer is truly special. *The Federal Trade Commission recommends asking the dealer the following questions:*

- Will you be charged a higher price for the car to qualify for the low-rate financing? Would the price be lower if you paid cash or supplied your own financing?
- Does the financing require a large down payment?
- Do you have to buy special or extra merchandise or services such as rustproofing, an extended warranty or a service contract to qualify for a low-interest loan?
- Is the financing available for a limited time only?
- Does the low rate apply to all cars in stock or only to certain models?
- Does the advertised trade-in allowance apply to all cars, regardless of condition?
- Does the "dealer's invoice" reflect the actual amount that the dealer pays the manufacturer?
- Are the special offers available if you order a car instead of buying one off the lot?
- Can you take advantage of all special offers simultaneously?

If all the dealer's terms appeal to you, carefully read the invoice and the installment contract to make sure the terms reflect the agreement you made with the dealer. Remember, once you have signed the paperwork, it will be too late to change your mind.

After all, getting a good deal is about negotiating the lowest selling price and negotiating the lowest total cost for the car you want and can afford, and that best fits your needs.

## Homeowners Insurance ... (continued)

- **Purchase enough protection.** If you adjust your policy before you begin improvements, you may be covered for the loss of any building materials you have in your house during the project. Plus, when you use contractors, you may be exposed to an increased level of liability or damage.
- **Ask for discounts.** Have you added dead bolts, window locks, a burglar alarm or even smoke detectors in the last year? Insurance companies may reduce your premium by as much as 20 percent.
- **Take pictures.** Get them preferably before, during and after the renovation. If you have a claim, you may be required to provide proof of the work you did.
- **Review your homeowners policy annually.** Significant discounts and reduced rates may have become available.

**Fact:** Forty percent of homeowners who make improvements to their homes do not update their homeowners policies to reflect these changes.

**Unplug Your Chargers:** Only 5 percent of the energy used by mobile phone chargers is actually used to charge the phone, while the rest is wasted by leaving the charger plugged in. So remember to unplug your charger when it is not in use.



## Avoiding Home Loan Hassles

Today's real estate market is in transition. With the ups and downs of home values and interest rates, lenders are looking closer at who they're giving mortgages to. Prudent lenders may be waiting to take advantage of unsuspecting borrowers. The FBI indicates that 80 percent of all reported fraud losses involve collaboration or collusion by mortgage industry insiders. *Here are some tips to help you avoid a home loan scam:*

### For sellers

- **Carefully check** your real estate and mortgage professionals' licenses and references.
- **Choose** the lender you want to work with. If your mortgage broker insists you use a specific lender, that's a red flag.
- **Insist** on receiving copies of all documents that you sign.

### For buyers

- **Never** buy a property without seeing it first.
- **Hire** your own appraiser since scammers pay appraisers to provide the home value they want.
- **Walk away** from lenders who encourage you to include false information on your loan application.
- **Check** with your local tax assessment office or recorder of deeds to make sure the seller really owns the property.
- **Don't feel pressured** to buy credit insurance, insurance that will repay the debt if you die or become disabled. This insurance is optional and can add considerable cost to the loan transaction.
- **Insist** on receiving a complete set of the closing documents, which should include a Good Faith Estimate, a Special Information Booklet, a Truth in Lending statement and a HUD-1 Settlement statement.

**The bottom line:** Whether you're a buyer or a seller, don't feel pressured to sign anything without reviewing and understanding the forms, terms and conditions. Learn more about preventing mortgage fraud at [www.stopmortgagefraud.com](http://www.stopmortgagefraud.com).

