

## REMEMBER

- Banks, credit card companies and government offices never call you to verify your personal or account information.
- Law enforcement agencies will not contact you and demand that you make a payment of fines over the phone or internet.
- No one can win a lottery from a country they've never visited or a sweepstakes they didn't enter. "You have to play to win."
- No offer to share millions of dollars, recover wealth, or provide large sums of money for you to distribute to charity will require you to provide "front money." If it sounds too good to be true, it probably is.
- Beware of health care scams, never release information to any health service provider that you did not contact directly.

SCAMS THAT ARE BASED ON THESE SCENARIOS OCCUR EVERY DAY, ALL ACROSS THE COUNTRY. IF YOU FEEL LIKE YOU HAVE BEEN SCAMMED CALL AND REPORT IT TO LOCAL POLICE AND THE ATTORNEY GENERAL'S ELDER ABUSE HELPLINE.

**1-866-623-2137**



Seniors should look to become involved in safely preventing crime in their neighborhoods by joining with others in the community.

## BE INVOLVED

- Report any crime or suspicious activity to local law enforcement, never intervene.
- Work to improve the conditions in your community.
- Join a neighborhood watch group.

The American Association of Retired Persons (AARP), the International Association of Chiefs of Police and the National Sheriff's Association (NSA) have joined to promote "TRIAD" programs. TRIAD encourages partnerships between senior citizens, businesses and law enforcement in an effort to prevent crime against the elderly and help the community to benefit from the talents of older adults. The NSA also has organized the National Neighborhood Watch to allow citizens to help in the fight against crime, it is also an opportunity for communities to bond through service. For more information contact your Chief of police, Sheriff, AARP chapter or call the NSA at (703) 836-7827.



ELDER ABUSE HELPLINE  
**1-866-623-2137**  
[www.attorneygeneral.gov](http://www.attorneygeneral.gov)

P E N N S Y L V A N I A  
**OFFICE OF ATTORNEY GENERAL**



SAFETY TIPS FOR  
**Seniors**  
FOR AT HOME AND OUT AND ABOUT



**Kathleen G. Kane**  
ATTORNEY GENERAL





**Kathleen G. Kane** ATTORNEY GENERAL

*Research indicates that older citizens are more likely to be victims of certain crimes like fraud, identity theft, scams and financial exploitation.*

*The Office of Attorney General believes that Pennsylvania's seniors should be enjoying the wealth they've earned, the neighborhoods they've helped to build, and the time they spend with their families and friends, rather than living in fear of crime.*

*All older Pennsylvanians should be aware of the kinds of crimes targeting seniors and the steps necessary to protect themselves from becoming victims. The precautions contained in this brochure are intended to help prevent you from becoming a victim.*

*Our Education and Outreach Unit offers presentations on many of these topics, contact us to schedule a presentation at (717) 772-2424 or email [senioruniversity@attorneygeneral.gov](mailto:senioruniversity@attorneygeneral.gov).*

*Kathleen G. Kane*

# SAFETY TIPS FOR Seniors

FOR AT HOME AND OUT AND ABOUT

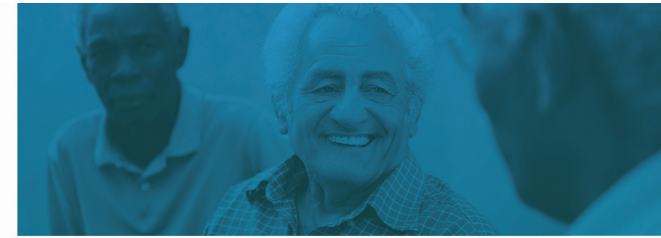
Pennsylvania has one of the highest senior populations in the country and our seniors are more active than ever. It is important that they are prepared when out socially, traveling or simply enjoying their home life.

## BE ALERT

- Talk with family members and friends about your travel plans and daily activities.
- Be aware of your surroundings, walk in groups of two or more.
- Don't carry unneeded credit cards or your social security number with you.
- Never post your travel plans on social media sites.
- When driving, never pull off or park in a secluded area. Drive to a well light public place.
- Only use ATMs that are inside of a bank or business and shield your PIN from view of others. If the device appears to be altered, report it right away.

## BE SECURE

- Close and lock windows when you leave the house, keep your doors locked at all times, even while you are at home.



- Don't let strangers into your home. Ask all delivery people and utility workers for ID.
- Never deal with a contractor who shows up unsolicited or with "left over materials." Always use a contractor that is registered with the Pennsylvania Office of Attorney General.
- When you are gone for more than a day, make sure your home appears occupied — use automatic timers to turn on lights and a radio or television.
- Always place a hold request on mail and newspapers while away and also park a second vehicle in the driveway.
- Do not hide your keys under the mat or in other conspicuous places.

Many of our older citizens have worked for years to build their retirement funds and establish good credit, making them common targets for scammers, con artists and thieves.

## NEVER

- Never give your personal information to anyone who contacts you and asks for it; only when you initiate the contact .
- Never send money, wire transfers or pre-paid cash cards to someone you do not know.

## What are my rights?

- A home improvement contractor must provide you with a copy of the complete contract, free of charge.
- You have the right to rescind your home improvement contract without penalty within three business days of the signing date, except as provided under law for emergency situations.
- A home improvement contract is not enforceable against a consumer if it does not include all of the information required by law.
- A contractor may not demand or receive any payment for a home improvement before the home improvement contract is signed.

## Where can I find my contractor's registration number?

- **All contractors must display their official registration number on all contracts, estimates, proposals, and advertisements distributed within the Commonwealth.**
- **To verify a contractor's registration number, visit the Pennsylvania Office of Attorney General's website at [www.attorneygeneral.gov](http://www.attorneygeneral.gov) or call toll free 1-888-520-6680.**



Pennsylvania Office of Attorney General  
Strawberry Square  
Harrisburg, PA 17120

[www.attorneygeneral.gov](http://www.attorneygeneral.gov)  
1-888-520-6680

A graphic with a dark blue background. At the top, the word 'PENNSYLVANIA' is written in a light blue, sans-serif font, slanted upwards. Below it, the words 'HOME IMPROVEMENT' are written in a large, white, outlined font, with a technical drawing or blueprint pattern inside the letters. Underneath that, 'CONSUMER INFORMATION' is written in a solid light blue, sans-serif font. To the right, the name 'Kathleen G. Kane' and title 'Attorney General' are written in white. At the bottom, 'OFFICE OF ATTORNEY GENERAL' is written in a large, white, outlined font, and 'PENNSYLVANIA' is written in a smaller, white, outlined font below it. There are also stylized icons of a green pencil and a blue lightbulb.



*If you are a homeowner, you will be pleased to know about the Home Improvement Consumer Protection Act. The law affords protections for consumers who hire contractors for home remodeling projects.*

*Effective July 1, 2009, contractors who perform home improvements totaling \$5,000 or more per year must register with the Office of Attorney General. The law requires written contracts between the contractor and consumer when the price of the project exceeds \$500, and provides for criminal penalties for home improvement fraud and civil penalties for violations of the act. If you are remodeling your home, be sure your contractor is registered with the Office of Attorney General before you sign a contract.*

*To check the registration status of a contractor, visit our website at [www.attorneygeneral.gov](http://www.attorneygeneral.gov) or call toll free 1-888-520-6680.*



*Kathleen G. Kane*



**Kathleen G. Kane**  
Attorney General

## What is home improvement fraud? *Home improvement fraud occurs when:*

- A contractor intentionally provides false or misleading information to convince a consumer to enter into an agreement for home improvements.
- A contractor receives payment and fails to provide the services or materials.
- A contractor damages a person's property in order to solicit an agreement for services or materials.
- A contractor alters a contract or other documents without the consent of the consumer.
- A contractor publishes false or deceptive advertisements.
- A contractor misrepresents material as special order material or misrepresents the cost of special order material.
- A contractor represents himself or herself as an employee of a governmental unit or public utility.



# PENNSYLVANIA

OFFICE OF ATTORNEY GENERAL



Consumer Protection

# **RIGHTS** & **RESOURCES**

for Consumers of All Ages

Kathleen G. Kane, Attorney General

*Dear Pennsylvania Consumer,*

*As your Attorney General, I am committed to protecting you and your family from consumer fraud and unscrupulous business practices. There is no shortage of scammers seeking to take advantage of consumers just like you. The best way to avoid becoming a victim of consumer fraud is to know your rights and responsibilities as a consumer.*



*Whether you just opened your first bank account, are planning for your retirement or enjoying your senior years, this booklet is designed to provide you with important information on consumer-related topics and a variety of deceptive practices. It also provides examples of fraudulent activities and tips to protect yourself.*

*I stand ready to protect all Pennsylvanians through the strong enforcement of our consumer protection laws. If you have any questions on a consumer-related matter or would like to file a complaint, please call the Bureau of Consumer Protection toll-free at 1-800-441-2555. Our staff is prepared to help resolve your complaints and answer your questions. For updated information on consumer issues, please website at [www.attorneygeneral.gov](http://www.attorneygeneral.gov).*

*Kathleen G. Kane*  
Kathleen G. Kane, Attorney General



Consumer Protection  
**RIGHTS &  
RESOURCES**  
for Consumers of All Ages

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# The Bureau of Consumer Protection and your Complaint

The Bureau:

- Investigates and mediates consumer complaints.
- Takes legal action against companies when there is a compelling public interest or when there are numerous complaints against the same business, which constitute unfair or deceptive business practices.
- Engages in a variety of consumer education programs and distributes educational materials.
- Assists in the preparation of consumer protection legislation.
- Cooperates with local, state, and federal agencies for effective consumer protection.

## Steps to effectively resolve a complaint yourself

Before you file a complaint with the Bureau of Consumer Protection, here are some tips that may help you resolve your own problem:

- Determine the specific complaint you wish to make, and do so without delay.
- Determine the specific action you want the business to take to remedy your complaint.
- If you are making the complaint in person, take along the purchase receipt, any guarantee or warranty and, if possible, the product.
- Be assertive! If a salesperson or company representative cannot deal with your complaint, ask for a higher authority or supervisor.
- When you complain by mail, give the brand name, model number, size, color and other details needed for identifying the product. Include in your letter a specific explanation



of the circumstances surrounding your complaint.

- Keep a copy of your letter and all correspondence you receive. If you return the product, be sure to insure it.

### Filing a complaint with the Bureau:

- If you are unable to resolve a complaint yourself, you can contact the Bureau of Consumer Protection for assistance.
- Complaints should be in writing. You can obtain a complaint form by contacting 1-800-441-2555. The complaint form is also available at [www.attorneygeneral.gov](http://www.attorneygeneral.gov).
- While the Bureau will attempt to mediate most consumer complaints, it is prohibited by law from acting as an attorney for individual consumers in legal actions. You may be advised to seek a private attorney.
- In certain instances, when there is a

compelling public interest or where there are a number of complaints against the same business, the Bureau may file a lawsuit in state or federal court seeking relief on behalf of consumers.



Consumer Protection Helpline  
**1-800-441-2555**  
[www.attorneygeneral.gov](http://www.attorneygeneral.gov)

Consumer Protection **Rights & Resources**

# Automobiles



Although just about everybody buys an automobile at some point in time, many people are wary of having to purchase a car. Fortunately,

Pennsylvania has Automotive Industry Trade Practices Regulations, which provide consumers with many protections when buying a car. These regulations cover numerous aspects of the car-buying process, from advertising to the condition of the vehicle.

## Advertising and Representations

One section of the regulations prohibits deceptive advertising and misrepresentation in describing a car and its price. Also, dealers must disclose certain defects or conditions. Advertisements must include:

- The business name and address of the car dealer.
- The year, make and model of the car.
- The conditions of sale, including the offer's expiration date and any limitations on the number of vehicles available.
- If the price is indicated, it must include all charges usual or necessary prior to delivery, such as freight, handling and dealer preparation charges, (tax, registration and licensing costs need not be included).
- Any known defects existing in the frame, block, transmission, or differential; flood damage or inability to pass state inspection.

In addition, the regulations also contain detailed provisions about the written agreement given to you when you buy a car. Among these, the regulations require that:

- A copy of the written contract or agreement



of sale, the installment sales contract, an odometer statement and the warranty be provided to the consumer.

- The contract must list the car as “new” or “used,” and, if “used,” must describe the vehicle’s prior usage.
- The contract must list itemized charges for any item not included in the purchase price.
- The dealer must deliver the car within the time specified in the contract or within eight weeks after the contract date.
- The dealer must honor the quoted trade-in allowance.
- An “As-is” notice must be in a car being sold without warranty.

The Internet provides many helpful tools to consumers



who are pricing an automobile. Many services will list every new and used car price including the Manufacturer’s Suggested Retail Price (MSRP), invoice price, price of options and freight. Both retail and wholesale prices are listed for used automobiles which take into consideration condition, mileage, and options. Armed with this information, an educated consumer is less likely to become the target of a deceptive sales presentation.

### **Lemon Law Protections**

The Pennsylvania Automobile Lemon Law applies to any new vehicle purchased and registered in Pennsylvania for personal or family use and designed to transport up to 15 persons. Motorcycles, motor-homes and off-road vehicles are not included. Under the law, the manufacturer must, at no cost to the purchaser, repair or correct any defect which substantially

impairs the use, value or safety of the vehicle and which occurs within one year after delivery, or 12,000 miles of use, or the terms of the manufacturer's express warranty, whichever comes first.

If the defect cannot be repaired after three (3) attempts, or if the vehicle is out of service for a total of 30 calendar days for repair, generally, you may be eligible for a replacement vehicle or the refund of the purchase price, less a limited allowance for use.

First, contact the manufacturer's zone representative at the telephone number listed in your owner's manual. If the zone representative is not successful in having the defect corrected, you may request an arbitration of your case through the manufacturer's dispute settlement program if one exists. The arbitration decision is binding on the manufacturer, but not on the consumer, who may proceed further by bringing a private lawsuit.

If the manufacturer has not established an appropriate dispute resolution procedure, you may initiate a legal action at the outset. Some important

requirements of the law are:

- You are responsible for delivering the vehicle to the manufacturer's authorized repair facility unless it would be unreasonably difficult to do so. In that case, you must give written notice to the manufacturer so that arrangements can be made for transporting the vehicle, at no expense to you, to a repair site.
- Each time your vehicle is repaired, the repair facility must give you a detailed statement, itemizing all repairs made, and the cost of parts and labor.
- Your rights under the law will not apply if the defect is the result of your abuse, neglect or alteration of the vehicle.

If a vehicle has been returned to the manufacturer for defects, it may not be resold in Pennsylvania unless the manufacturer provides the consumer with:

- A written statement that the vehicle was returned because of a defect which was not cured within a reasonable time, and
- The same express warranty provided originally, except that it may last only for 12,000 miles or 12 months after the resale date.

Vehicles with defective braking or steering systems, likely to cause death or serious bodily injury if driven, may not be resold in Pennsylvania.

Almost everybody faces the problem of repairing an automobile. No matter what kind of car you drive, at some time or other you will either need to get it fixed, or at least have routine maintenance performed to keep it running. Unfortunately, auto repair problems are among the most frequent

sources of consumer complaints. It is important to know your rights before you go to a repair shop so you can avoid trouble.

### **Choosing the right shop**

There are many auto repair facilities from which you can choose when you need repairs. Some shops are small, independent businesses. Others are part of large national chains. Some will do almost any type of repair, while others specialize in the kind of work they do. Most are good and the people who run them are honest.

In deciding where to take your car, there are a few things you should consider:

- Learn about good shops before you need one, so you won't have to choose a shop at the last minute.
- Get recommendations from family and friends about good experiences they have had with repair shops or mechanics.



- Make sure the shop you choose is capable of performing the type of repair you need.
- If you have a warranty that covers the repair, make certain the shop will honor it, and is authorized to make the repair under the warranty.
- Comparison shop for prices: there can be large differences in charges among repair facilities.

### **Pennsylvania's Auto Regs**

Pennsylvanians are protected by the Automotive Industry Trade Practices Regulations, which detail consumers' rights when having a car repaired. The regulations provide that a repair shop must:

- Obtain the consumer's written or verbal authorization before charging for repairs.

- Obtain additional authorization from the consumer before performing repairs which exceed the dollar limit set by the consumer.
- Inform the consumer whether parts put on the vehicle are new, used or reconditioned.
- Disclose, in advance, any charges for estimates or storage.
- Complete repairs within the time specified (or within 24 hours of delivery if no time is mentioned).
- Advise consumers of their rights to have replaced parts returned to them.
- Provide a detailed bill itemizing charges for parts and labor.

# Charitable Giving

Legitimate charities need your help. Before giving, however, you should make sure that a charity deserves your contribution by following these tips for informed giving:



## Know your charity

Do not be tricked by an impressive-sounding name or one that is similar to a well-known charity. Too many “charities” try to take advantage

of another charity’s good name and reputation by using an almost identical name, symbol or logo.

## Know how your money will be spent

Before donating, ask for and read printed materials about the charity’s finances and programs. Find out how much of your donation actually goes to helping people and program services, as opposed to fund-raising and administrative expenses. All

charities should have a printed annual report that includes this information, and should provide you with a copy if you ask. You may also obtain this information by calling Pennsylvania’s Bureau of Charitable Organizations, toll-free, at 1-800-732-0999, or by writing: Bureau of Charitable Organizations, Department of State, 207 N. Office Building, Harrisburg, PA 17120.

## Know your charity’s goals

Make sure you agree with the purpose of the charity. You may wish to support a research-oriented charity, as opposed to a “patient service” charity, or one that only provides public education. Give to a charity that bests fits your goals.

## Telephone solicitors

Because telephone solicitations are typically conducted by paid professional fund-raisers on behalf of the charity, ask the caller if he/she is paid or a volunteer and how much the charity receives of each dollar donated. For example, if tickets to a benefit show are being sold with the promise of

underprivileged children attending for free, ask how many children will attend the event, how they are chosen, whether free transportation will be provided, and if an accompanying adult is also admitted for free.

### **Door-to-door solicitors**

Demand identification! Do not feel pressured by the person at your door. The best practice is to mail your donation directly to the charity.

### **Do not be pressured into giving**

Take time to think about your donation. High-pressure tactics and sob stories often are the signs of unscrupulous operators.

### **Unordered merchandise**

You have no obligation to pay for greeting cards, tickets, advertising, merchandise or any other item you never asked for, nor are you obligated to return them.

### **What to do before giving**

Make sure the charity has complied with Pennsylvania's registration law by registering with the Bureau of Charitable Organizations, Department of State, as most charities are required to do. The Bureau can be contacted, toll-free, at 1-800-732-0999. Additional information may be obtained by contacting the Better Business Bureau, which monitors and reports on charities: 1880 JFK Blvd, #1330, Philadelphia, PA 19103, (215) 893-9235 and 400 Holiday Drive, Suite 220, Pittsburgh, PA 15220; or the Better Business Bureau Wise Giving Alliance, 3033 Wilson Blvd., Suite 600, Arlington, VA 22203, (703) 276-0100.

Method of payment - If you decide to contribute, pay by check. Make the check out to the charity, not to a company or the individual collecting the donations, and send directly to the charity. Never pay cash or use your credit card number in response to a request by a stranger.



# Credit Rights & Identity Theft

## The Fair Credit Reporting Act

The three major credit reporting agencies, TransUnion, Experian and Equifax, maintain a credit history on you which is available to creditors. According to the Federal Fair Credit Reporting Act:

- You are entitled to receive one free copy of your credit report from each of the three nationwide credit reporting agencies every twelve months. You can request your free credit report online at [www.annualcreditreport.com](http://www.annualcreditreport.com) or by calling 1-877-322-8228.
- You are also entitled to receive a free copy of your credit report under certain circumstances, including if you were denied credit, employment or insurance within the last 60 days, you are the victim of identity theft, you are on public assistance, or you are unemployed and expect to apply for employment within 60 days. Your credit

report can be shown to those who need such information for extending credit or insurance or reviewing employment applications.

- Most information in your file can only be reported for seven (7) years. However, bankruptcies can be reported for 10 years. If you inform the credit bureau of inaccurate information in your file, the information must be investigated, errors must be corrected and creditors who received the incorrect information must be advised of the changes.
- If there is a dispute about information in your file which cannot be resolved, you may require the credit bureau to note that the information is disputed in future credit reports.

## **Truth in Lending Act**

Another federal law, the Truth in Lending Act, provides these rights:

- Periodic statements must be mailed to consumers using credit cards and revolving charge accounts in sufficient time to avoid finance charges by prompt payment.
- The issuance of unsolicited credit cards is prohibited.
- Cardholder liability for lost or stolen credit cards is the lesser of \$50 or the amount charged prior to notification of the loss.
- Creditors must disclose to you the total finance charge, including all charges such as placement fees and insurance, the annual percentage rate of interest and the amount of each monthly payment and the number of payments required.
- If a creditor requires you to obtain “credit insurance” to guarantee that a debt will be

paid should you die, get sick or become disabled or to cover damage to property which is collateral for the debt, the premium charged must be included when computing the annual percentage rate.

- If you voluntarily agree to obtain “credit insurance” or if you choose to obtain it from an outside insurance company, then the premium charged need not be included in the annual percentage rate.

## **The Equal Credit Opportunity Act**

The Equal Credit Opportunity Act prohibits discrimination in a credit transaction. It does not, however, guarantee that you will get credit. According to the Act:

- Discrimination because of sex, marital status, race, national origin, religion or age is prohibited.
- Except for voluntary information needed to

enforce the above anti-discrimination laws, a creditor cannot ask your race, sex, national origin or religion.

- A creditor cannot ask whether you are divorced or widowed or about your plans for having children.
- A credit application must be accepted or denied within 30 days. If denied, the creditor must inform you in writing of either the specific reason for the denial or your right to request that reason within 60 days.
- Where both spouses use or are liable on an account, credit information must be supplied in the names of both spouses.

### **Pennsylvania Goods and Services Installment Sales Act**

This law regulates credit transactions involving goods and services bought for personal, family or household purposes. Under the Act:

- The seller or holder of a credit agreement cannot take a mortgage against your residential real estate or that of a co-signer.
- Before a seller can attempt to repossess goods or start legal action to collect the debt, he must give you one last chance, by way of a 21 – day notice, to pay all amounts in default.
- Wage attachments are generally prohibited.

Once you obtain credit privileges, know your responsibilities in repaying your indebtedness:

- The amount of the finance charges you may be assessed will vary depending on the type of purchase, the type of lender and the location of the lender.
- Late fees and collection charges may also be assessed.
- Since a lender earns more interest at the beginning of a loan than near the end,



payments which you make at the beginning of a loan do very little to reduce the principal.

If you have encountered a problem with incorrect information in your credit report, in obtaining credit or in exercising your credit rights, contact the Bureau of Consumer Protection.

### **Identity Theft**

It is fastest growing white collar crime in the United States. Over ten million Americans fall victim to this crime every year from ordinary citizens to celebrities, young and old, and from all socioeconomic backgrounds.

Identity thieves can operate boldly by picking your pocket or rummaging through your trash and your mailbox. And, they can operate invisibly, through breaching online security systems, on your own computer or on commercial or other computer systems. Other times, they openly lure you under

false pretenses into providing your social security number, financial account numbers, passwords, PIN numbers and other personal information. But regardless of how they acquire the information, the thieves may quickly apply for loans or credit cards, lease cars, make purchases, defraud utility companies or rent apartments using your identity; or, they may hold onto your information for a matter of years and then begin to use it, after you have been lulled back into a sense of security.

Some helpful hints to prevent identity theft:

- Promptly remove mail from your mailbox and deposit mail in US Post Office receptacles.
- Empty your purse/wallet of extra credit cards or ID cards, including your Social Security card.
- Memorize your PIN numbers.
- Never give out personal information over

the phone.

- Stop credit card companies from sending pre-approved applications to your home by calling 1-888-5-OPT-OUT (1-888-567-8688).
- Be certain you receive and review monthly financial statements and bills.
- Make inquiries about unexpected bills, unauthorized charges on utility and telephone bills, credit card charges or bank account debits.
- Shred credit card receipts, bills and other financial information, as well as magazine subscription labels.
- Regularly review your credit report from all three credit reporting bureaus. You are entitled to one free report annually from each bureau, which can be obtained at



[www.annualcreditreport.com](http://www.annualcreditreport.com) or by calling 1-877-322-8228. There are many other companies which, for a fee, will provide round-the-clock monitoring services for all three credit reports and issue alerts at any activity. Although these monitoring services cannot prevent identity theft, they may help identify rogue or unauthorized activity swiftly and enable consumers to address the problem quickly.

- Remember, nobody is more effective at preventing and protecting against fraud than the individual.

If you are the victim of identity theft, file a report with local police, close bank and credit card accounts and contact the credit reporting bureaus to freeze or place a fraud alert on your credit report. To file a complaint, call the Office of Attorney General, Bureau of Consumer Protection Toll-Free Helpline at 1-800-441-2555 or visit [www.attorneygeneral.gov](http://www.attorneygeneral.gov).

## Debt Collection

The Fair Credit Extension Uniformity Act regulates the debt collection activities of debt collectors and creditors in Pennsylvania. This law, effective as of June 26, 2000, prohibits debt collectors and creditors from engaging in certain unfair or deceptive acts or practices while attempting to collect debts.

### Communications with debtors

Unless they have your prior consent or the express permission of a court, debt collectors and creditors may not communicate with you:

- At unusual times and places.
- Before 8 a.m. or after 9 p.m.
- At work if they know your employer disapproves of such contacts; or
- When they know you are represented by an attorney.

If you are contacted by a debt collector, ask that they send you written validation of the debt.

### Communications with third parties

Debt collectors and creditors may communicate with third parties only for the purpose of acquiring location information about you. During these third party contacts, debt collectors and creditors may not reveal that you owe any debt.

### Harassment

Debt collectors and creditors may not harass, oppress or abuse you or any third parties while collecting a debt. Examples of this include:

- Threatening you with violence or harm;
- Publishing a list of consumers who refuse to pay their debts (except to a credit bureau);
- Using obscene or profane language; or

- Repeatedly using the telephone to annoy.

### **False statements**

Debt collectors and creditors may not use any false or misleading statements when collecting a debt.

Examples of this include:

- Falsely implying that they are vouched for, bonded or affiliated with the government;
- Falsely implying that they are attorneys;
- Falsely implying that you have committed a crime or will be charged with a crime for non-payment;
- Falsely implying that documents sent to you are legal documents, when they are not;
- Falsely implying that documents sent to you are not legal documents, when they are;
- Misrepresenting the amount or legal status of your debt; misrepresenting their name; or

- Threatening to file a lawsuit when they cannot, for instance, when the debt is time-barred, or do not intend to do so.

### **Unfair or Unconscionable Practices**

Debt collectors and creditors may not use unfair or unconscionable means to collect a debt. Examples of this include:

- Collecting any amount greater than your debt, unless permitted by the agreement creating the debt or by law;
- Depositing a postdated check prematurely;
- Using deception to make you accept collect calls or pay for telegrams;
- Contacting you by postcard.



## **Deceptive Sales Practices & Contracts for Goods and Services**

While most businesses are run legitimately, be on the lookout for the unscrupulous merchant. Beware of the following sales practices.

### **Bait & Switch**

By law, stores are not allowed to advertise with the intent of pressuring or improperly luring customers into buying a different or more expensive product. Bait and switch involves first “baiting” a consumer with an advertisement for an appealing, inexpensive item. When the consumer visits the store, however, and asks to see the advertised merchandise, the salesperson discourages its purchase and attempts to sell a higher priced product, which is the “switch.” Sometimes the “switch” may be to a product that is the same price, but the store benefits because of a higher markup on the item.

### **Going-Out-of-Business Sale**

Some stores will advertise that they are going out of business when they really have no such intention and, in fact, are constantly bringing in new merchandise.

State laws regulate going-out-of-business sales by requiring the business to obtain a license from the local municipality. No goods may be added to the



store's inventory after the application is made.

Going-out-of business sales can be conducted for no more than 30 days. If all goods have not been disposed of during that time, a business may get one 30-day extension. Before making a purchase, remember that, if a store goes out of business, its warranties may no longer be valid (although the manufacturer's warranty will still be valid), nor will the merchandise be returnable.

### **The Continuous Sale**

A store engaged in a continuous sale will constantly claim that all, or a substantial portion of, its merchandise is ON SALE. Some stores put sale tags on merchandise and claim that the item has been specially reduced when the price marked is really the normal everyday selling price.

Protect yourself by shopping around.

Go to several stores and compare the prices of the same product. Don't base your decision on what to buy solely on price. Investigate the store's warranty, return and delivery policies.

If you believe you have been a victim of a deceptive sales practice, contact the Bureau of Consumer Protection.



### **No Right of Cancellation**

There is no automatic right-to-cancellation of the contracts signed away from your home, such as for the purchase of an automobile, so carefully weigh those purchase decisions before signing.

### **Rent-to-Own Transactions**

Sometimes, as an alternative to buying merchandise such as furniture, large appliances, televisions, computers and

other such items, people may rent these typically high-cost items through a rent-to-own transaction. In a rent-to-own transaction, the person will rent the merchandise and, at a certain point, the person can obtain ownership of the item.

A rent-to-own transaction can have some benefits. People who do not have enough cash to simply purchase high-cost items that they need or want, and who may have difficulty getting traditional credit (that is store accounts, credit cards, etc.), often attempt to purchase through the rent-to-own method. By making weekly or monthly payments, the person can get the immediate use of the item and merchandise, which is often new.

Service is usually provided by the rental company at no additional charge, so there may be no repair costs during the rental period.

A rent-to-own transaction also has drawbacks. The final purchase price of an item bought through rent-to-own is usually much higher than the price of the same item bought at a retail store, even if the item

is financed over time at the retail store. Rent-to-own costs can be twice as high as the straight purchase costs, and are sometimes three to four times as much! Many people who are considering rent-to-own would be financially better off by either saving money to buy the item, or buying a good used item rather than getting the new item through a rent-to-own transaction.

Rent-to-own transactions are governed by Pennsylvania's Rental Purchase Agreement Act, which has specific requirements about the types of written information that a consumer must be given. The law requires that the rental company provide, in writing: the type of fees and late charges which can be imposed; the total dollar amount which must be paid for an item to get ownership through the rent-to-own method; and the way for the consumer to get ownership of the item earlier (and cheaper) than stated in the original agreement.

If a rent-to-own company violates the Rental Purchase Agreement Act, the Bureau of Consumer Protection can help.

## Health-Related Issues

### Buying a Hearing Aid

The Hearing Aid Sales Registration Law provides consumers purchasing a hearing aid in Pennsylvania with various rights and protections.

All hearing aid dealers and fitters must be registered with the Pennsylvania Department of Health and the registration certificate must be conspicuously posted in their office or place of business.

During the initial contact, hearing aid dealers and fitters must advise you that any fitting, examination or representation made by them regarding the hearing aid is not an examination, diagnosis or prescription by a person licensed to practice medicine and, therefore, must not be regarded as a medical opinion. You should receive this information in writing.

During the six months prior to purchasing a hearing aid, you must have received an examination by an otologist, otolaryngologist or any licensed physician and a written recommendation stating that the use of a hearing aid may be beneficial. However, this rule does not apply to replacement parts, accessories, or a worn out or damaged hearing aid. It also does not apply if you sign a written waiver. This waiver must be read and explained to you in a manner that does not encourage you to waive a medical examination

and which thoroughly advises you of the consequences of signing it. You must be given a copy of this written waiver with your receipt.

When certain medical conditions regarding your ears are found to exist, the dealer or fitter must suggest to you in writing that it is in your best interest to consult a licensed physician specializing in diseases of the ear. They then may not sell you and fit you for





a hearing aid without a written recommendation from a licensed physician that a hearing aid may be beneficial to you.

Before the dealer or fitter can provide any services to you, he or she must give you a disclosure agreement that must be explained to you in detail and be signed by you and the dealer or fitter. This disclosure agreement must contain a complete description of what the fitting procedure or process does and does not include, and must itemize and disclose any and all fees.

Before the sale of any hearing aid to you, the dealer or fitter must give you a copy of the User Instructional Brochure for the hearing aid, review the content of the brochure with you, and give you an opportunity to read the brochure.

At the time of the sale, the dealer or fitter must give you a written receipt signed by the dealer or fitter which contains important information regarding the hearing aid and the dealer or fitter. This receipt must also advise you that if your rights are violated,

for Consumers of All Ages

you may contact the Attorney General's Bureau of Consumer Protection or the Pennsylvania Department of Health.

The sale of each hearing aid must be accompanied by a 30-day money-back written guarantee. This guarantee must allow you to return the hearing aid within 30 days of the date of delivery in the same condition as when purchased, ordinary wear and tear excluded. You will be entitled to a refund of the purchase price of the hearing aid and accessories within 30 days of their return. However, a dealer may retain a cancellation fee which may not exceed the lesser of 10% of the purchase price or \$150.

Health Care Helpline

**1-877-888-4877**

[www.attorneygeneral.gov](http://www.attorneygeneral.gov)

## Generic Drugs

The Generic Drug Act was amended in 1990 to permit filling prescriptions with lower-cost generic drugs unless the physician specifically prescribes a brand-name drug.

A generic drug has the same potency and chemical makeup as that of a commercial brand, and usually costs far less than the brand-name drug.

Whenever a pharmacist receives a prescription, he/she must fill it with a generic drug unless the physician has hand-written on the prescription form, along with his/her signature, these words: “brand-necessary” or “brand medically necessary.”

A consumer has the option to request specifically a brand-name even if his physician did not mandate it, but he should be warned that many prescription drug reimbursement programs, including those run by the government, will only cover the cost of generic drugs. A consumer



who exercises the option of insisting on a brand-name drug may have to subsidize the cost of the higher-priced brand-name drug.

A consumer does not have the right to insist on a generic drug if his physician specifically requests a brand-name. If the pharmacist is out of a generic drug and wants to substitute it with the brand name drug, the pharmacist must inform the consumer and request the consumer’s acceptance of the higher priced drug if the consumer does not want to go to another pharmacy.

Any pharmacist who substitutes any generic drug for a brand-name drug must notify the consumer of the substitution and the amount of the retail price difference between the brand-name and the generic drug. He/she must keep a record of all instances involving the use of a brand-name drug either because it was medically prescribed or because a generic drug was not in stock.

The label on all prescriptions must indicate the generic name (using abbreviations if necessary) and the name of the manufacturer. Only FDA approved and rated generic drugs may be substituted by pharmacists in Pennsylvania.

### **Discount Medical Programs**

With the rising cost of health care, consumers have become increasingly interested in medical discount programs. Discount medical programs are not insurance products and are not subject to regulation by Pennsylvania's Insurance Department or Department of Health. They typically offer discounted fees on prices for medical or dental services and/or products or prescription drugs from participating providers (doctors, dentists and pharmacies). If a consumer is interested in subscribing to any of these programs, there are important questions that should be asked.

- What are the name, street address, telephone number, facsimile number and

website address of the company?

- Who or what department should the consumer call with any questions or problems about the program? Is there a 24-hour helpline? If not, what are the hours of operation?
- Is there an introductory trial period? If there is, how does the consumer notify the company about discontinuing the program?
- What is the monthly cost for membership in the program?
- Is there an initial fee for membership in the program? If so, and the consumer decides to cancel membership in the program, will the fee be refunded?
- Will the consumer be issued a membership card for the program? If so, will participating providers require the card in order to obtain the discounted fees or services?

- How many and which providers currently participate in the program in your area?
- Under what circumstances are specific discounts available to the consumer from participating providers, and are the discounts guaranteed?
- Are there pre-authorization or pre-certification requirements for accessing the discounts with participating providers?
- What statements, if any, will the consumer receive from the program, detailing cost savings obtained through subscribing to the program?
- Will the consumer be able to obtain discounts through the program while on vacation or away from home?
- Will the program extend to members of the consumer's family? If so, is there an additional cost? Will each family member receive a membership card?
- Can the membership be cancelled at any time? What is the process to cancel the membership?
- Are there any additional fees which are charged as part of the program?
- If the consumer subscribes to the program, how will any personal information be handled?

The discount medical program should provide answers to these questions and written materials confirming the representations. Be particularly wary if the program insists upon obtaining checking account or credit card information from you before your questions have been answered. Contact the Better Business Bureau to see if any complaints have been filed against the company. Being an informed and proactive consumer is the best way to evaluate whether a discount medical program suits your needs.

## Health Care Section

The changing face of health care in America has left many Pennsylvanians feeling frustrated and angry, with nowhere to turn. The Health Care Section helps consumers who are experiencing difficulty in dealing with various health care organizations. The type of complaints this Section receives involve health insurance, pharmacies, nursing homes, health care providers, discount medical products, coverage denial, quality of care and billing issues.

If you have a problem with your managed care plan, you have rights under Act 68. Take proper steps as follows:

1. Call you managed care plan member services department. Give them a chance to solve the problem. Many problems are solved at this level informally.
2. File a complaint or grievance with your plan. If your phone call to the plan does not solve your problem, call the plan again and tell them that you want

to file either a first-level complaint or grievance.

3. If, after taking these steps, you are still not satisfied with the results, file a complaint with the Health Care Section. There is no fee. 1-877-888-4877.

Health Care Helpline

**1-877-888-4877**

[www.attorneygeneral.gov](http://www.attorneygeneral.gov)



# House-Related Issues

## Buying or Selling a Home

Buying or selling a home is often the largest and most complicated financial transaction a person will make in his or her life. If you use a real estate agent, there are many things you should know, including:

Sellers:

- After deciding to use a realtor, a seller should find a good realtor based on references.
- The seller should clean and repair the home as needed. This will add value to the home. Generally, a furnished home is more appealing.
- As a seller, you have the right to negotiate the commission and terms of your listing agreement with the listing agent.
- Six (6) months is often a requested listing

period, but three (3) months may be sufficient time to sell your home or to determine whether a real estate agent is doing a good job for you. Listing agreements may be renewed, but be wary of signing one that can be automatically renewed.

- Before you sign a listing agreement, it is recommended that you talk with several agents. Find out what each agent will do for his or her fee including the type and quality of the sales campaign each will conduct.
- As a seller, you have the right to have an attorney review both the listing agreement and the sales agreement before you sign them. Even though the agent represents you, remember he/she does not get paid unless a sale is made.
- Deal honestly and in good faith with buyers; do not fail to disclose material defects in your home.

## Buyers:

- Find a good realtor and agent by obtaining reliable references.
- As a buyer, you have the right to have an attorney review the agreement of sale before you sign it and to represent you at the settlement table.
- As a buyer, you have the right to have a “buyer’s broker” represent your interests in finding a home. If you choose this arrangement, it is recommended that you talk with several agents before you sign an agreement. Find out what each agent will do for his or her fee.
- You can negotiate the terms of a buyer brokerage agreement including the fee (e.g., a flat fee, a percent of the sale price, or a percent of the listing), the length of the contract (e.g., one day, one month, or one year), where the fee will come from (e.g.,

from the transaction).

- As a buyer you have the right, and are well-advised to hire your own title company or attorney to do the title search and provide the title insurance for the property. A title company or attorney that the seller’s agent recommends may be more interested in repeat business with the seller’s agent than in doing a good job for you.
- Shop around for a great loan – it’s a competitive market. Get pre-qualified for a loan because you can avoid wasting money on applications for loans. Ask about VA, FHA, or other loans for which you may qualify.
- Read all home warranties carefully, because their coverage is often quite limited.
- A sales agreement must contain the zoning classification of the property except where the property is zoned solely or primarily to permit single family dwellings. Check into

how your neighborhood is zoned.

## Buyers and Sellers:

- You may face a situation where the same person represents both the buyer and the seller, or it may be two different agents who work for the same real estate company. You must be informed of any conflicts of interest that exist and both the buyer and seller must agree to the arrangement. This type of arrangement may be acceptable if you do not need the assistance of a real estate agent in the transaction; but, if you do, it may be to your advantage to reject the arrangement.
- Before you disclose any information to a real estate agent, be advised that unless you select an agency relationship by signing a written agreement providing for such a relationship, the real estate agent is NOT REPRESENTING YOU. In Pennsylvania, a business relationship of any kind will NOT

be presumed but must be established between the consumer and the agent.

## A real estate agent owes you the following duties:

- To exercise reasonable, professional skill and care;
- To deal honestly and in good faith;
- To present all offers, counteroffers, notices and communications to and from the parties in writing in a timely manner. The duty to present written offers and counteroffers may be waived if the waiver is in writing;
- To account for escrow and deposit funds;
- To provide assistance with document preparation;
- To advise you to seek expert legal advice on matters about the transaction that are beyond the agent's expertise;

- To keep you informed about the transaction and the tasks to be completed; and,
- To disclose all financial interests.

### **Real Estate Commission**

The Pennsylvania Real Estate Commission regulates real estate brokers and real estate agents. Real estate brokers and agents are prohibited from, among other things, making misrepresentations, or engaging in any conduct which demonstrates bad faith, dishonesty, untrustworthiness, or incompetency.

If you have a complaint about the way in which a real estate broker or real estate agent conducted themselves on your transaction, you can file a complaint with the:

**Real Estate Commission  
Bureau of Professional and Occupational Affairs  
2601 North 3rd Street  
P.O. Box 2649  
Harrisburg, PA 17105-2649  
1-800-822-2113**

### **Home Improvements**

While most home improvement contractors operate an honest business, there are those who engage in deceptive practices and defraud consumers of large sums of money. Don't be taken in by promises of guaranteed performances, quick jobs and bargain prices. Don't allow a salesperson to talk you into repairs and improvements you do not actually need or want.

The Home Improvement Consumer Protection Act (HICPA) is designed to ensure consumers get a fair deal from a contractor. This law requires all home improvement contractors, with limited exceptions, to register with the Office of Attorney General and to display their registration number on all advertising and contracts. Registration is not licensure, which generally requires certain levels of skill and competence through testing. Contracts for home improvements of \$500 or more are mandatory under this law and must be signed by the consumer and contractor before the work begins.

Home Improvement Contracts:

- Be sure the contract describes the work to be done and includes starting and completion dates.
- Make sure all guarantees are in writing and are included in the contract.
- Arrange for the contract to contain a clause requiring the company to clean dirt and debris away from the work area.
- You have the right to cancel home improvement contracts within three (3) business days, with the exception of contracts for emergency services or repairs.
- HICPA only permits contractors to request or accept a 1/3 deposit, plus the cost of "special order materials" when the contract price exceeds \$5,000.

#### Before you sign:

- Check with your local home builders' association, your building supply retailer,

the Better Business Bureau, the Chamber of Commerce and the Bureau of Consumer Protection.

- Check with homeowners who have dealt with the contractors you are considering.
- Be cautious if high pressure is used to induce you to sign a contract quickly.
- Be sure to obtain more than one bid for the same job involving exactly the same specifications.

#### Tips when having repairs done:

- Don't use a contractor who has no experience performing the work you need to have done. The contractor should be able to share references and give examples of workmanship on similar projects.
- If the contractor requires subcontractors, such as an electrician or a plumber, ask for their names and check them out too.



- Obtain at least three estimates for the improvement project.
- Always get a written contract before you allow someone to work on your home. Examine the contract carefully!
- Don't pay a contractor before you read and sign a contract.
- Verify that the contractor has the minimum insurance coverage of \$50,000.00 for property damage and \$50,000.00 for personal injury, mandated under HICPA.

#### Beware of:

- Unknown or out-of-town contractors. Make certain the contractor has a permanent address in your area, where he can be contacted later if problems arise.
- Salespersons who will give you a discount if you allow your house to be shown to other prospective purchases.

- Outfits that offer you a bargain rate because the "equipment is already in the neighborhood," or "we have materials left over from a job down the street."
- Contractors who use terms like "special introductory offer."

#### After the work has been completed:

- Inspect the work thoroughly. Work that looks good might still have been performed in a shoddy manner.
- Review the entire project with the contractor.
- Find out about any special provisions you should know concerning maintenance of the work.
- Point out any defects immediately.
- You may be asked to sign a completion certification. Do not do so until all work

called for in the contract has been done to your satisfaction. Be careful not to sign a completion certificate when you sign the original sales order.

To determine if a contractor is registered, consumers should call the Office of Attorney General, Home Improvement Consumer Information Toll-Free Helpline at 1-888-520-6680. Registration is not an endorsement, recommendation or approval by the Office of Attorney General of the contractor's competency or skill.

### **Manufactured Housing Residents' Rights**

Residents of manufactured housing have certain rights as set forth in the Manufactured Home Community Rights Act. Community owners are required to post a copy of this Act in a conspicuous place in their parks. This Act also requires community owners to give each resident who enters the park a copy of a notice explaining their rights under the law.

The following are some of the rules and regulations that residents of manufactured home communities should be aware of:

- All fees and charges, including rent, must be disclosed to you in writing before you make any initial payments.
- Increases in rent or other fees are not enforceable until 30 days after a notice of the increase is posted in the community and mailed to residents. It is important to remember that your rent cannot be increased during the lease term.
- In order to be enforceable, all rules and regulations must be written, posted in a conspicuous place and a copy must be provided to all residents.
- Rental charges and rules must be applied in a uniform manner to those community residents in the same or similar category.
- A community owner or operator can

designate the type of under-skirting and other amenities to your manufactured home, but cannot require you to purchase such items from a particular supplier.

- You cannot be charged an entrance or exit fee.
- You can be charged an installation fee, but only in the amount of the owner or operator's actual cost. This fee must be refunded if the owner or operator recovers possession of your space within one year of installation for any reason other than non-payment of rent; two or more violations of community rules in a six-month period; changes in use of community land; or, termination of the community.
- A manufactured home park owner cannot prevent you from selling your home and cannot claim any fee in connection with the sale, unless a separate written agreement exists. However, a manufactured

home community owner may reserve the right to approve the purchaser of your manufactured home as a resident of the manufactured home community.

- You can be evicted, but only for the following reasons: non-payment of rent; two or more violations of community rules in a six-month period; changes in use of community land; or, termination of the community.
- Owners of manufactured home communities must provide written notice to residents and tenants upon the sale or the lease of a community within thirty (30) days of a community's sale or lease, and must also post a copy of such notice in the same conspicuous and readily accessible place that the community's rules and regulations are posted.
- Owners must also provide written notice to residents, tenants and the Pennsylvania

Housing Finance Agency prior to closing all or a portion of a manufactured home community within sixty (60) days of deciding to close. A notice of closure must contain an estimated date of closure and an estimated date by which residents and tenants will be expected to vacate the community, at least one hundred and eighty (180) days after the date of notice.

- Unless a community owner has obtained a court order, he or she cannot evict you by locking your home or moving it while you are away.
- The manufactured home community owner must notify you in writing why you are being evicted by certified or registered mail before beginning any eviction proceeding.
- You cannot be charged unreasonable fees, such as an additional monthly charge for having overnight guests.

- The rights and duties of manufactured home community owners and manufactured home community residents under the Act cannot be waived by any written or oral agreement.

If you have any questions about these or other rights of a manufactured home community resident, contact the Bureau of Consumer Protection.

### **Leases and Security Deposits**

Before looking at apartments or rental houses, evaluate your living needs: number of rooms, location, and distance from shopping and public transportation, price and amenities. Friends and newspapers provide inexpensive advice. Real estate agencies can help, but may charge a fee for their services.

Avoid “apartment finders” who charge merely for lists of vacancies that are simply taken from newspaper classified ads. Consider the following before renting:

- Check the furnace, plumbing and all appliances. Are there enough electrical outlets and lights? Is the wiring adequate to handle several appliances?
- Are storm windows, screens and shades provided?
- Are the floors solid, without holes or splinters?
- Are the walls and ceilings painted, papered and without cracks?
- Are the doors, windows and entrances to the building secured? Are the stairs safe and well lit? Are the fire escapes easily accessible?
- Is the apartment quiet? Can you hear those next to, above or below you?
- Is there evidence of rodents or insects? Who pays for an exterminator?
- Ask others in the apartment complex about any negative aspects of living there.
- If the apartment is furnished, check for, record and save a written list of all defects in the furniture.
- Make and keep a list of all existing damage and repairs that need to be made. Keep a copy of the list, give one to your landlord and attach a copy to the lease. When you move out, such records will assure that your security deposit will only be applied to damages for which you are responsible.

**The Rental Application** - Your new landlord may ask you to provide credit references and a list of past landlords, addresses and your employment history, including salary. An application fee may be charged and may be non-refundable if you are not approved. At the landlord's option, he may apply the application fee to your first month's rent or security deposit, but it is not required by law.

**Signing a Lease** - Your best protection is a written lease signed by both parties, reflecting the terms of the rental between landlord and tenant.

Make sure your lease contains:

- The specific address, including apartment number of the property.
- The length of the lease.
- An explanation of the rent payment procedure, including late penalties and rent increases.
- Which utilities you are responsible for paying and how costs for those utilities are assessed.
- Termination or renewal terms.
- The amount of security deposit.

Be sure to keep a copy of the lease for yourself. Make a second copy and keep it in a bank deposit box or give it to a friend or family member for safekeeping.

Do not sign a lease until all blanks are filled in.

### **Security Deposit**

A security deposit is money which actually belongs to the tenant, but is held by the landlord for protection against damages or unpaid rent.

- During the first year of a lease, the amount of the security deposit cannot exceed two month's rent.
- At the beginning of the second year of a lease, a landlord cannot retain a security deposit of more than one month's rent.
- At the beginning of the third year of a lease, the landlord must put any security deposit over \$100.00 in an interest bearing bank account, unless the landlord obtains a bond.
- A tenant who occupies a unit or dwelling for two or more years is entitled to interest on his security deposit, beginning with the



25th month of occupancy. The landlord must give you the interest earned by the account (minus a one percent fee which the landlord may retain for his costs) at the end of the third and each subsequent year of tenancy.

To have your security deposit refunded, give the landlord a forwarding address and return the keys to the property. Within 30 days after you move out the landlord must either return the security deposit or send you a list of damages, the cost of repairs and any money remaining from the security deposit.

If the landlord does not provide a written list of damages within 30 days, he may not keep any part of the security deposit. You may then sue to recover the deposit without the landlord being able to raise any defense.

If, within 30 days, the landlord fails to pay the tenant the difference between the security deposit and the actual damages to the property, the landlord is liable for double the amount by which the security

deposit exceeds the actual damages to the property.

## **Condominiums**

If your apartment building is being converted to condominiums, the new owner/developer must give you one year's written notice before you are required to move and he cannot raise your rent or change the terms of your lease. If your lease is for more than one year, you may remain in your unit until the termination of your lease.

You have the first chance and exclusive right to buy your rental unit within the first six months after you receive the conversion notice.

You can give 90 day notice and terminate your lease without penalty after receiving a conversion notice.

# Memberships

## Health Club Memberships

As health and fitness clubs have become popular, some abuses have occurred. A state law regulating health clubs was passed to provide these protections.

- Contracts must be in writing and must contain the date when it was signed and the specific address of the facility. You must be provided a copy of this contract or you can cancel at any time.
- Buyers can cancel a contract within three (3) days of signing and must be refunded all monies paid, including any initiation fee.
- Club memberships cannot be sold for a period of longer than 36 months. Do not believe offers of “lifetime” memberships at guaranteed rates.
- Health club operators must register with the Bureau of Consumer Protection and

post financial security to protect members’ fees against potential failure or closing if they write contracts for more than three (3) months at the time of entering into the contract. Members have up to six (6) months from a closing to make a claim.

- If a club must close for repairs or any other reason for 30 days or less, a member is entitled to an extension of his membership



equal to the number of days the facility was closed.

- If a club is closed for more than 30 days, and the operators do not provide an equivalent facility within a 10-mile range, the buyer has a right to cancel his membership and receive a refund.
- If a member becomes temporarily disabled to an extent where he/she cannot use one-third or more of the health club facilities, he is entitled to an extension of his membership covering the time he is disabled. Members who become permanently disabled can cancel the contract and receive a refund. The health club can request verification of the disability by a physician.
- You have a right to cancel your membership and receive a refund if you move more than 25 additional miles from a health club and the club operator cannot transfer your

contract to a comparable facility located within five miles of your new residence.

- Health clubs cannot automatically renew your membership at the end of the term without permission. That permission must be given at the end of the term, not at the beginning or during the term.

### **Timeshare Solicitation and Campground Memberships**

Timeshare resorts and campground memberships have been heavily promoted in recent years as a means of enjoying “vacation home” benefits without the full costs incurred in acquiring a vacation home or permanent woodlands retreat for camping. In effect, the purchaser “buys” a vacation resort unit or campground site for a specific portion of a year or a certain number of weeks per year, along with several other “buyers” who share the unit or campsite on a rotating basis.

However, some promoters have resorted to deceptive

tactics and consequently, some restrictions have been placed on these transactions:

- All timeshare businesses operating in Pennsylvania must be registered with the State Real Estate Commission, which can be reached at 717-783-3658.
- Mailed solicitations must not be deceptive. They may not use symbols or colored envelopes or stationery that would mislead the recipient to believe that it came from a government body, a charity or was a negotiable instrument, such as a facsimile of a check.
- Contests must be legitimate and consumers cannot be misled to believe that their name was selected at random for a prize if that isn't the case. Promoters must state the odds of winning in such a way that will not misrepresent the consumer's actual chances of winning a prize. Promotions must state the fair market value of the prize.

- Resorts often offer a "premium" in addition to the prize to all those who agree to travel to the facility for a tour and a sales promotion. Consumers must be informed both in writing and orally that such a tour is a condition of receiving the premium and the prize.
- The prize and any premiums must be equal in value and quality to what was described in the firm's mailed solicitations. Any fees charged for obtaining the merchandise promised must be disclosed in a clear and conspicuous manner.

You may cancel a timeshare contract within five (5) days after signing. However, you must do so in writing and send the cancellation by certified mail.

## Product Safety and Recalls

The federal government actively monitors a wide variety of consumer goods and products for safety concerns. There are several agencies which identify potential safety and health problems, and make that information available to the public.

In addition, the government often depends on consumers to alert it about potential hazards in goods and products. Many times, that is the first indication there is a problem. Where appropriate, you are encouraged to contact these agencies to report concerns.



for Consumers of All Ages

The following is a list of consumer products which have specific federal agencies responsible for identifying problems.

To report safety problems with **household products, toys, home appliances and recreational products or inquire about recalls or warnings**, containing them, contact:

U.S. Consumer Product Safety Commission  
4330 East West highway  
Bethesda, MD 20814  
(800) 638-2772 (toll-free)  
(301) 595-7054 (TTY)

To report safety problems about **foods, drugs, medical devices, cosmetics, and veterinary products or to inquire about recalls or warnings concerning them**, contact:

U.S. Department of Health and Human Services  
Food and Drug Administration  
10903 New Hampshire Ave.  
Silver Spring, MD 20993-0002  
1-888-INFO-FDA (1-888-463-6332)

For information on **food recalls and warnings**, or  
**to report food safety or labeling problems**, call:

Safe Food hotline 1-888-SAFEFOOD  
(1-888-723-3366)

To learn about **recalls of meat and poultry**, or to  
**report safety concerns**, contact:

U.S. Department of Agriculture  
Food Safety and Inspection Service (FSIS/USDA)  
1400 Independence Ave., SW  
Washington, DC 20250-3700  
1 (888) MPH hotline  
1 (800) 256-7072 (TTY)

To **report a vehicle or vehicle equipment safety  
problems or to inquire about recalls or warnings**,  
contact:

National Highway Traffic Safety Administration  
(NHTSA)  
1200 New Jersey Ave., SE  
West Building  
Washington, DC 20590  
Auto Safety hotline:  
1 (888) DASH-2-DOT (1-888-327-4236)  
1 (800) 424-9153 (TTY)

Consumer Protection Helpline  
**1-800-441-2555**  
[www.attorneygeneral.gov](http://www.attorneygeneral.gov)



# Spotting a Scam

## Information is the Best Defense

Anyone can be a victim, even those with an advanced education, substantial assets and lengthy business experience. In fact, some of the most sophisticated scams are targeted toward wealthy individuals or businesses, because, as Willie Sutton reportedly replied when asked why he robbed banks, “That’s where the money is.”

However, most low-level con artists seek potential victims among the elderly and those who live alone. These criminals seek out those whose background and status in life naturally make them more trusting or dependent, or victims whose sense of charity or even loneliness make them more vulnerable to the con artist’s story.

## How can you detect a scam?

Look for these tell-tale signs:

- **Cash Only:** Cash, money orders or wire transfers should not be required for

transactions. You should be able to use a check or credit card.

- **Secret Plans:** No one should ask or instruct you not to tell others about the transaction.
- **Get Rich Quick:** Any scheme should be carefully investigated.
- **Something for Nothing:** A retired swindler once said that any time you are promised something for nothing, you usually get nothing.
- **Contests:** Make sure they aren’t a come-on to draw you into a money-losing scheme.
- **Haste:** Be wary of any pressure to “act immediately or lose out.” If something is worthwhile today, it’s likely to be available tomorrow.
- **Too Good to be True:** Such a scheme is probably neither good nor true.

- Last Chance: If it is a chance worth taking, it should not be on such short notice that you cannot research it.
- Left-over Material: Left-over materials may be stolen or defective.

### **Tempted? Don't Let Swindlers Through The Door!**

Senior citizens are frequent victims of door-to-door scams and high-pressure sales tactics. Con artists will coax you into an unnecessary or expensive contract or they may take your money and never deliver the product. Door-to-door solicitations can also be a good “cover” for criminals to enter your home and survey the premises. Sometimes, two people appear; one delivers the sales pitch, while the other “cases” the property, possibly even stealing possessions.

Tips for handling the stranger who rings you doorbell:

- Don't let the salesperson in the door until

you have seen proper identification and determined exactly what he/she wants. Magazine sellers must be licensed in Pennsylvania.

- Compare the offer with other similar products before making a decision to buy the product.
- Watch out if you are told you have been selected to use a product free of charge. By accepting a free item and signing some kind of contract to buy more, it may eventually cost you money.



- Get everything in writing. This includes estimates for work, prices for products and all promises, including guarantees. Make sure you get a notice of your right of cancellation before signing anything. Under Pennsylvania law, you have a three-day right of cancellation for goods and services sold to you in your home as long as the good or service costs \$25 or more. The law requires vendors to provide this notice verbally, in the contract and in a separate, written and completed notice of cancellation, including the deadline date to cancel the contract.
- Read and make sure you understand all the terms of the contract before you sign it. Be sure that any oral representations by the salesperson are included in the written document. Get a completed copy for your records.
- Keep good records for your protection. This includes the seller's full name, business address and telephone number.

- Above all, don't be afraid to say "NO!"

Contact the Office of Attorney General Elder Abuse Helpline with any questions or concerns at 1-866-623-2137.

### **Online Scams**

The Information Superhighway has become a new medium for scam artists. Some of the same people who used telemarketing, infomercials, newspapers and magazines, now have turned to "Cyberspace." Cyberspace includes the Internet and an assortment of online computer services.

Many of these scams are run by two methods: classified advertising and "disguised advertising." Classified advertising has the largest number of misleading ads. These ads may promote miracle cures, quick and easy weight-loss systems or unusual medical devices. Others push investment schemes and "business opportunities." They make offers to "use your PC to make money fast

in your spare time.” Other ads encourage you to invest in “900” number telephone services. Promises on these investments are likely to be false.

“Disguised advertising” is the second category and is more difficult to recognize. Many of these disguised ads are found on bulletin boards and chat forums. Sometimes, people contributing to the bulletin board have ties to businesses that sell products or services related to the bulletin board subject area. “Chat forums” are live discussion groups which some advertisers use without disclosing their true interests. These may not be obvious ads but may appear to be an open discussion.

There are millions of people using the Internet and that number is growing rapidly. These people are all potential targets for scam artists. Here are some



warning signs of potential scams:

- Overstated claims of product effectiveness.
- Use of hyped up titles and the word “hot.”
- Exaggerated claims of potential earnings.
- Claims of inside information.
- Promotion of cheap stocks promising high returns.
- Ads for exotic investments like ostrich farming, gold mining, or wireless cable TV.

Beware of giving out your bank account numbers, credit card numbers and other personal data either online or by phone.

## **Work-At-Home Schemes**

Many newspapers, magazines and computer bulletin boards contain advertisements about consumer work-at-home plans which often promise fantastic monetary returns for a small investment.

Two frequently used schemes are:

- Addressing or stuffing envelopes - Often, you must pay for the cards or envelopes used. You may not get any money unless someone buys the product being advertised in the cards or envelope.
- Assembly or craft work - The company sells you instructions and materials for making items within your home and promises to purchase the finished product, provided your work is acceptable. The company may reject the product for not being up to its standards, leaving you the burden of selling the product yourself.

Learn to recognize a work-at-home scheme. Generally

for Consumers of All Ages

such projects include:

- Promises of large profits for apparently little work or money.
- The payment of money to obtain additional information about the opportunity or to purchase products to be sold.
- Promises of exclusive territories and individualized training programs.

Some tips:

- Find out exactly what you must do in order to benefit from all that is promised in the advertisement.
- Get a complete description of all initial and future changes which you must pay.
- Get a description of any help the selling company will provide.
- If the advertisement was on a computer bulletin board, obtain a name, street

address and telephone number, and then find out about the person or company.

- Learn about the company's procedures for handling complaints.
- Obtain a description of the conditions under which the contract may be changed by either party.
- Before committing yourself to any deal, talk with a lawyer and anyone who has been involved in a business similar to the one that interests you.
- Don't fool yourself: never believe you are going to make a lot of money without doing much work.

Contact the Better Business Bureau in the region where the business is located to see if it has any complaints on file. Call the Bureau of Consumer Protection if you need assistance finding the phone number of the correct Better Business Bureau.

## **Living Trust Mills and Annuity Scams**

Unfortunately, when it comes to living trusts, unscrupulous con artists are ready to play on consumers' fears of the unknown. In some cases, consumers – mostly elderly – are solicited by phone or mail to attend seminars or to set up in-home appointments to discuss living trusts.

Living trusts are then marketed through high-pressure sales pitches which prey on the fear that assets will be tied up indefinitely or that estates are prone to heavy taxes and fees if a living trust is not in place. Con artists often rely on unfamiliar legal terminology to convince consumers that a living trust is right for them, even though many of the complex rules and fees that can complicate estate distributions do not exist in Pennsylvania.

Sometimes victims are sold worthless "kits," costing several thousand dollars, which are nothing more than standard forms that may or may not be valid, as laws concerning living trusts vary from state to state. In other cases, false promoters simply want to gain access to consumers' financial information



so they can sell them other products, like insurance annuities.

Tips to avoid becoming victims of Estate Planning scams:

- Watch out for companies that market trusts and also sell annuities or other investments.
- Estate planning is a complex task and usually involves the advice of more than one expert, such as an attorney and tax accountant.
- Living trust mill agents are not attorneys and are not experts in estate planning. Their goal is to sell their products and earn commissions, not protect the interests of seniors.
- Documents in trust packages may not comply with Pennsylvania law.
- Do not give in to high-pressure sales tactics. Legitimate offers will be around long

enough for you to properly research them.

- Sales agents may fail to disclose possible adverse tax consequences or early withdrawal penalties that may be incurred when transferring stocks, bonds, CDs or other investments to annuities.
- Shop around. Check out offers with a trusted attorney or estate planner.
- Verify any stated government affiliation or endorsement.
- Before withdrawing money from an existing investment to buy an annuity or to make any other investment, get copies of the sales offer documents and review them with people you trust, such as your financial advisor, attorney or family member before signing anything.
- The Cooling-Off Rule states that if you buy a living trust in your home or somewhere other than the seller's permanent place of

business (like a hotel seminar), you have three business days to cancel the deal.

### **Wire Transfer Scams**

Money transfer fraud or wire transfer fraud both occur when scammers convince consumers to wire them money. Everyone is at risk – fraudsters target everyone. They look for people who appear to be vulnerable, don't know about a scam, and are trusting of others. If you have been scammed, you will need to contact your local police immediately; report the incident to the Pennsylvania Attorney General; and if you used MoneyGram or Western Union to wire money, contact these companies directly to file a complaint. Some of the more common forms of wire transfer scams include:

#### **Grandparent/Relative in Need Scam**

The Grandparent Scam is so simple and so devious because it uses one of older adults' most reliable assets, their hearts. You get a call from someone pretending to be a family member or a relative,

like a grandchild, who is in trouble. Or, the caller pretends to be a lawyer or police officer who is with your family member. They may say the family member needs money to be bailed out of jail, or to pay a fine or for emergency car repair or medical care. If you're not sure that this call is really from a family member, do not fall for this trick.

#### **Lottery or Sweepstakes Scam**

You receive an official-looking notice by mail or email saying you've won a large sum of money, possibly even including a check. To claim your valuable prize, you are asked to deposit the check and send a money transfer to cover taxes and processing fees. Be aware: if you don't remember entering a lottery, you didn't win. And never send money to receive money. No legitimate lottery or sweepstakes asks for money up front.

#### **The Mystery Shopper Scam**

You get hired to be a mystery shopper. Your first task: evaluate the customer service of a retail store. You're given a check to cash and use for purchases in the store, yet the amount of the check is more

than it should be. The scammer tells you to wire back the amount they've overpaid. The original check turns out to be counterfeit, and you can't get back the money you sent by wire transfer, so you lose both amounts.

### **Green Dot Card Transfers**

Green Dot Cards are reloadable debit cards that can be purchased at various local stores. Now that so many people have wised up to the wire transfer frauds, scammers have hit on the idea of using the legitimate Green Dot card system to collect their money.

The scam includes what seems to be a grant award check or other types of checks – with a request that the consumer wires part of the payment back to cover some mystery fee. Along with the bogus check, usually for just under \$5,000,



an accompanying letter says recipients must pay a finder's fee of 10% to the "broker" who secured the grant.

Now here's the sneaky trick. The letter tells consumers to buy a Green Dot card, of the sort available at many retail outlets including drug stores. The consumer then sends the details of the card to the "broker" which is then quickly drained at an ATM.

**But There's More** - To add to the effectiveness of this scam, the scam artists use another trick to delay their discovery. They use "legitimate" checks from active verifiable bank accounts -- either stolen or forged. This means that banks may accept them without question and the money may even show up in the consumers' accounts. A few weeks later, their bogus status is revealed -- by which time the consumer has bought the Green Dot card and sent the details to the scammer.

## **Investment Scams**

Because many seniors find themselves planning for retirement and managing their savings once they finish working, a number of investment schemes have been targeted at seniors looking to safeguard their cash for their later years.

From pyramid schemes like Bernie Madoff's (which counted a number of senior citizens among its victims) to fables of a Nigerian prince looking for a partner to claim inheritance money to complex financial products that many economists don't even understand, investment schemes have long been a successful way to take advantage of older people.

Online financial fraudsters send e-mail spam, or they approach you on a social media website or in a web forum. An internet advertisement may also lead you to a website, designed to gather your personal information, which they will use to approach you directly or to steal your identity.

Things to remember: Don't expect to get rich quick. Be careful with your personal information. Don't be

lured by claims of 'insider information'. Delete and block spam emails. Do your own research. Make sure you get all the information you need before you invest (don't be rushed into an investment). Keep printed copies of all correspondence and investment information.

Before investing, contact the Pennsylvania Department of Banking and Securities at 1-800-PA-BANK-SECURITIES (800-722-2657) to request more information.

## **Travel Scams**

These scams are most active during the summer months. You receive an email with the offer to get amazingly low fares to some exotic destination but you must book it today or the offer expires that evening. If you call, you'll find out the travel is free but the hotel rates are highly overpriced.

Some can offer you rock-bottom prices but hide certain high fees until you "sign on the dotted line."

Others, in order to give you the “free” something, will make you sit through a timeshare pitch at the destination. Still others can just take your money and deliver nothing.

Also, getting your refund, should you decide to cancel, is usually a lost cause, often called a nightmare or mission-impossible.

Your best strategy is to book your trip in person, through a reputable travel agency or proven legitimate online service.

Tips to help you avoid being taken by a travel scam:

- Avoid offers that sound “too good to be true,” particularly if you have been solicited by phone or have received a postcard or certificate in the mail.
- Never give your credit card number or information about your bank accounts over the phone to a solicitor.
- Get the complete details in writing about

any trip before paying.

- Be cautious with companies that require you to wait at least 60 days to take your trip or require that you select several dates of departure for your trip.
- Avoid mailings using words like “grand finalist,” “urgent” or “winner” that appear to be sent by special mail or courier.
- Be wary of “900” phone numbers. The calls will cost you and may not result in any benefit to you.
- Don’t be pushed into a decision. It’s the surest sign that someone’s up to no good. Never feel that you have to make a decision on the spot.

Consumer Protection Helpline

**1-800-441-2555**

[www.attorneygeneral.gov](http://www.attorneygeneral.gov)

## Rx Scams

Most commonly, counterfeit drug scams operate on the Internet, where seniors increasingly go to find better prices on specialized medications.

The danger is that, besides paying money for something that will not help a person's medical condition, victims may purchase unsafe substances that can inflict even more harm. This scam can be as hard on the body as it is on the wallet. If you are considering purchasing antibiotics or any prescription drug online, keep in mind the following tips:

Pennsylvania law requires that prescription drugs be dispensed to Pennsylvania consumers only by a state licensed pharmacist or medical practitioner. A pharmacy must obtain a permit before operating or advertising in the Commonwealth. In addition, a physician must be licensed in Pennsylvania to practice medicine in the Commonwealth.

An actual examination may be necessary to determine which - if any - medicine and dosage is right for you. Factors such as pre-existing conditions, family history and individual symptoms are all relevant to which prescription is appropriate for you. Watch out for web sites offering an online "consultation" with a physician. These consultations may not be reviewed by a doctor and, even if they are, consumers





have no way of knowing the doctor's background or history.

Obtaining any prescription medicine from an unfamiliar source and then self-medicating can be dangerous. Online prescription drugs from un-established businesses can originate from foreign, unregulated markets and may be more likely to be bogus, impure or adulterated. Also, taking prescription drugs like an antibiotic when a person does not have an illness can result in a buildup of immunity to that drug and more virulent strains of the disease, making future treatments more difficult.

Often the prices charged by online pharmacies are extremely high and may include "hidden" charges or excessive shipping and handling costs. Other sources may offer cheaper or generic drugs for the same illness or treatment. Additionally, many web sites require consumers to agree

to a waiver of liability which asks them to give up or relinquish all of their legal rights. Consumers should never agree to liability waivers to receive goods or services.

Finally, some sites may simply be scams - you may find yourself paying for something which you never receive or end up giving out credit card and other information only to be ripped off again. As with any online purchase, only complete the transaction on a "secure" site, using a credit card for added protection. If you have any suspicions or concerns about an offer, contact our office.

## Telemarketing

Due to a growing pattern of abuses by unscrupulous telemarketers, the Pennsylvania Senate passed a series of laws protecting Commonwealth residents against telemarketing fraud. These laws provide much needed safeguards strengthening federal laws and carrying enhanced penalties in cases of telemarketing fraud involving residents over the age of 60 years old, who are often the prime target of such scams.

Many telemarketers are now required to register with the Office of Attorney General, and secure a \$50,000 bond as security for any consumer losses resulting from fraud, misrepresentation or violations of the Pennsylvania Unfair Trade Practices and Consumer Protection Law. Calls from tax-exempt organizations and political parties, among others, are exempt from the registration and bonding requirements, however, consumers should be warned that for-profit telemarketers, who



should be registered, often make calls under contract for tax-exempt charities. In addition, telemarketers who illegally seek payment for purchases in exchange for a promised prize or for entry into a sweepstakes can now

be subject to criminal penalties, including time in jail. The same is true of telemarketers who charge a fee up front with the promise of helping someone to recover money lost in a sweepstakes or prize promotion.

Consumers can reduce telemarketing solicitations by calling toll-free 1-888-777-3406 to be placed on PA's Do Not Call list.

Some of the protections afforded consumers include:

- Telemarketers must promptly disclose their names, the telemarketing business on whose behalf they are calling, the purpose of the call, and what they are selling before

they make their pitch.

- Telemarketing calls are restricted to being made between the hours of 8 A.M. and 9 P.M.
- Telemarketers are required to maintain company-specific “Do-Not-Call” lists. When you receive an unwanted call from a telemarketer, simply say you want to be placed on its “Do-Not-Call” list. It is illegal for a telemarketer to call after you have asked to be placed in the “Do-Not-Call” list.
- Before you pay, the telemarketer must tell you the total cost of the goods and any restrictions on getting or using them. The telemarketer must disclose their refund policy and the fact that sales of goods or services having a price of \$25.00 or more can be canceled within three (3) full business days following the sale.
- In prize-promotions, telemarketers must tell

you the odds of winning, that no purchase is necessary to win, and any restrictions or conditions to receive the prize.

- It is illegal for a telemarketer to withdraw money from your checking account, savings account or a similar account without your express verifiable authorization.
- It is illegal for telemarketers to misrepresent: any facts about the goods or services being offered; the earnings potential, profitability, risk or liquidity of an investment; the nature of a prize in a prize promotion scheme; or any other material facts about the offer.
- It is illegal for other businesses to assist fraudulent telemarketers if they know or consciously avoid knowing that the telemarketer or telemarketing business is engaged in a violation of law.
- Unsolicited fax advertisements are prohibited and all faxes must clearly identify

the sender's name and the sending facsimile telephone number.

- All pre-recorded calls made using auto dialers must identify the caller, including the caller's telephone number and address.
- If a consumer decides to hang up on a pre-recorded call, he/she must be able to regain use of this phone for outgoing calls within five (5) seconds of the hang up.

Beware of giving out your bank account number, credit account numbers, social security number or any other financial or personally identifiable information over the phone.

### **Signs of a Telemarketing Scam**

Often, scammers who operate by phone don't want to give you time to think about their pitch; they just want to get you to say "yes." Here are a few red flags to help you spot telemarketing scams. Say "no, thank you," hang up, and file a complaint with the Pennsylvania Office of Attorney General if you hear

a line that sounds like this:

**"You've been specially selected." (for this offer)**

**"You'll get a free bonus if you buy our product."**

**"You've won one of five valuable prizes."**

**"You've won big money in a foreign lottery."**

**"You have to make up your mind right away."**

**"We'll just put the shipping and handling charges on your credit card."**

### **How They Hook You**

Scammers use exaggerated - or even fake - prizes, products or services as bait. Some may call you, but others will use mail, texts, or ads to get you to call them for more details. Here are a few examples of "offers" you might get:

*Travel Packages* - "Free" or "low cost" vacations can end up costing a bundle in hidden costs.

*Credit and loans* - Advance fee loans, payday loans, and credit card protection are very popular schemes, especially during a down economy.

*Charitable causes* - Urgent solicitations for recent disaster relief efforts are especially common on the phone.

*High-stakes foreign lotteries* - These solicitations violate U.S. law, which prohibits the cross-border sale or purchase of lottery tickets by phone or mail. What's more, you may never see a ticket.

*Extended car warranties* - Scammers find out what kind of car you drive, and when you bought it so they can urge you to buy overpriced - or worthless - plans.

### **How to Handle an Unexpected Sales Call**

When you get a call from a telemarketer, ask yourself:

*Who's calling...and why?*

The law says telemarketers must tell you it's a sales call, the name of the seller and what they're selling before they make their pitch. If you don't hear this information, say "no thanks," and get off the phone.

*What's the hurry?*

Fast talkers who use high pressure tactics could be hiding something. Take your time. Most legitimate businesses will give you time and written information about an offer before asking you to commit to a purchase.

*If it's free, why are they asking me to pay?*

Question fees you need to pay to redeem a prize or gift. Free is free. If you have to pay, it's a purchase — not a prize or a gift.

*Why am I "confirming" my account information — or giving it out at all?*

Some callers have your billing information before they call you. They're trying to get you to say "okay" so they can claim you approved a charge.

Do I want more calls like this one? If you don't want a business to call you again, say so and register your phone number on the Pennsylvania Do Not Call Registry and the National Do Not Call Registry. If they call back, they're breaking the law.

# Warranties & Guarantees

Warranties and guarantees are a manufacturer's or seller's promise to stand behind its product or service. On most major products, warranties must be:

- Easy to read and understand.
- Available for consumers to look at before they buy the products.
- Labeled either "Full" or "Limited."

A full warranty means:

- A defective product will be fixed or replaced free of charge within a reasonable time.
- Consumers will not have to do anything unreasonable to get warranty service.
- If the product cannot be fixed, the consumer gets the choice of receiving a new product or a full refund.

- The warranty is good for anyone who owns the product during the warranty period.

A limited warranty is anything that provides less coverage than a full warranty. A limited warranty may:

- Cover only parts and not labor.
- Cover only the initial owner.
- Allow charges for handling.
- Require you to return the product to the store.



## Implied Warranties

While a product might not have a written warranty, under state law, consumers are guaranteed certain implied warranties. A “warranty of merchantability” comes automatically with every sale and is the seller’s promise that a product is fit for its ordinary and intended use.

A “warranty of fitness for a particular purpose” is created if a consumer buys a product relying on the seller’s advice that it can be used for a particular purpose.

Beware of merchandise that is labeled “As Is” or “No Warranty.”

This language is used to give notice that the seller assumes no responsibility for providing warranty coverage. A few general tips:

- Read all warranties before making a purchase.
- Make certain any verbal promises by the salesperson are included in the written

warranty and signed by the salesperson.

- Keep your sales slip, warranty, owner’s manual and when, possible, original box or packing.
- Products with full warranties may cost more than those with limited warranties; however, it may be worthwhile to spend the additional money in order to acquire full protection.

Consumer Protection Helpline  
**1-800-441-2555**  
[www.attorneygeneral.gov](http://www.attorneygeneral.gov)



# Directory of Consumer Resources

## Pennsylvania Office of Attorney General

Bureau of Consumer Protection Helpline .....	800-441-2555
Charitable Trusts and Organizations Section .....	717-783-2853
Do Not Call Helpline.....	888-777-3406
Health Care Section Helpline.....	877-888-4877
Home Improvement Consumer Protection Act Helpline .....	888-520-6680
Office of Consumer Advocate (Utilities) .....	717-783-5048
Elder Abuse Helpline .....	866-623-2137

## Aging

Eldercare Locator .....	800-677-1116
Older Adult Protective Services .....	800-490-8505
Pennsylvania Department of Aging.....	717-783-1550

### APPRISE

Health Insurance Counseling Program.....	800-783-7067
PACE/PACENET Cardholder Services.....	800-225-7223

Pennsylvania Department of Public Welfare Helpline.....	800-692-7462
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## Consumer Protection

Consumer Product Safety Commission.....	800-638-2772
Federal Communications Commission.....	888-225-5322
Federal Trade Commission .....	877-382-4357
National Consumers League.....	202-835-3323
PACE Fraud and Abuse Line .....	800-992-2433
PA Department of Banking & Securities.....	800-722-2657
Pennsylvania Department of Health .....	877-724-3258
Pennsylvania Department of State Bureau of Charitable Organizations.....	800-732-0999
Bureau of Professional and Occupational Affairs .....	800-822-2113
Corporation Bureau .....	888-659-9962
Pennsylvania Insurance Department.....	877-881-6388
Pennsylvania Welfare Fraud Tip line.....	800-932-0582

Public Utility Commission ..... 800-692-7380  
Social Security Fraud Hotline..... 800-269-0271  
U.S. Postal Inspection Service ..... 877-876-2455

### **Credit Information**

Annual Credit Report  
(www.annualcreditreport.com) ..... 877-322-8228

### **Financial Assistance**

Pennsylvania Commission on Crime and Delinquency  
Victim's Compensation Assistance Program..... 800-233-2339  
Social Security Administration..... 800-772-1213  
U.S. Department of Labor Employee Benefits  
Security Administration ..... 866-444-3272

### **Health Care**

Long Term Living Helpline (M-F 8am-8pm) ..... 866-286-3636  
Medicare Information ..... 800-633-4227  
National Alliance for the Mentally Ill (PA) ..... 717-238-1514

for Consumers of All Ages

Partnership for Prescription Assistance..... 888-477-2669  
Pennsylvania Department of Health  
HMO Information ..... 888-466-2787  
Home Health Hotline..... 800-222-0989  
Nurse Aid Registry ..... 800-852-0518  
Nursing Home/Long Term Care Facilities..... 800-254-5164

### **Hearing/Vision Problems**

Hearing Aid Helpline..... 800-521-5247  
Pennsylvania Department of Labor and Industry  
Bureau of Blindness and Visual Services ..... 717-787-6176

### **Legal Services**

Pennsylvania Bar Association Lawyer  
Referral Service ..... 800-692-7375  
Pennsylvania SeniorLAW Helpline  
(M-F 10am-4pm)..... 877-727-7529

## **Medical Treatment/Self Help/Support Groups**

Alzheimer's Disease Education/Referral Center.....	800-438-4380
American Diabetes Association.....	800-342-2383
American Cancer Society.....	800-227-2345
American Heart Association.....	800-242-8721
Centers for Disease Control and Prevention.....	800-232-4636
Multiple Sclerosis Society.....	800-548-4611
National Cancer Information Center.....	800-422-6237
National Drug and Alcohol Treatment Referral.....	800-662-4357
National Office of the American Kidney Fund.....	800-638-8299
National Osteoporosis Foundation Information.....	800-231-4222
Pennsylvania Coalition Against Domestic Violence.....	800-932-4632
Pennsylvania Coalition Against Rape.....	888-772-7227

## **Miscellaneous**

### **Pennsylvania Department of Labor and Industry**

Bureau of Workers' Compensation..... 800-482-2383

Unemployment Compensation..... 888-313-7284

### **Pennsylvania Department of Revenue**

Personal Income Tax.....	717-787-8201
Property Tax/Rent Rebate Program.....	888-222-9190
Pennsylvania Department of Transportation.....	800-932-4600
Pennsylvania Human Relations Commission.....	717-787-4410
Pennsylvania Treasury Department	
Bureau of Unclaimed Property.....	800-222-2046
Pennsylvania Veterans Affairs	
(M-F 8:15-4:30pm).....	800-547-2838
Problem Gamblers Hotline.....	800-848-1880
U.S. Equal Employment Opportunity Commission...	800-669-4000

15th Floor, Strawberry Square  
**Harrisburg**, PA 17120  
Phone: 717-787-9707  
Fax: 717-705-3795

21 South 12th Street, Second Floor  
**Philadelphia**, PA 19107  
Phone: 215-560-2414  
Fax: 215-560-2494

417 Lackawanna Avenue, Second Floor  
**Scranton**, PA 18503  
Phone: 570-963-4913  
Fax: 570-963-3418

444 East College Ave.  
Suite 440  
**State College**, PA 16801  
Phone: 814-863-3900  
Fax: 814-863-6555

Renaissance Centre Ltd.  
1001 State Street, Suite 1009  
**Erie**, PA 16501  
Phone: 814-871-4371  
Fax: 814-871-4848

Sixth Floor, Manor Complex  
564 Forbes Avenue  
**Pittsburgh**, PA 15219  
Phone: 412-565-5135  
Fax: 412-880-0196

Consumer Protection Helpline

**1-800-441-2555**



If a military member with a Fannie Mae or Freddie Mac mortgage receives PCS orders, they are automatically eligible for a short sale.

### **Dual Tracking**

In the past, military homeowners who were working with their mortgage servicer on a loan modification were surprised to learn the servicer was simultaneously moving forward with a foreclosure, otherwise known as dual tracking. Now servicers must comply with rules when working with a military member on loan modifications.

Dual tracking is not prohibited, but a lender must provide the borrower an opportunity to complete every step of a loan modification. A servicer cannot initiate a foreclosure until a borrower has been delinquent for 120 days, or while a borrower has a pending loan modification application. Servicers must provide borrowers written notice of alternatives to foreclosure and examples of those options.

### **Phantom Debts**

Fraudulent debt collection is a growing complaint from veterans and military personnel. Often a debt collector will repeatedly contact a consumer claiming they owe money, when no debt exists. They're called "phantom debts."

Collectors may use official looking letters with personally identifiable information, or aggressive phone calls. They falsely threaten legal action including fines, fees or arrest; or punishment under the Uniform Code of Military

Justice or revocation of a security clearance.

If you receive a letter or call, don't confirm or provide your personally identifiable information. First find the number for the agency or official to see if the collection is valid.

If you do owe a debt, collectors and creditors in Pennsylvania must comply with the Fair Credit Extension Uniformity Act, which prohibits them from engaging in unfair and deceptive practices, including:

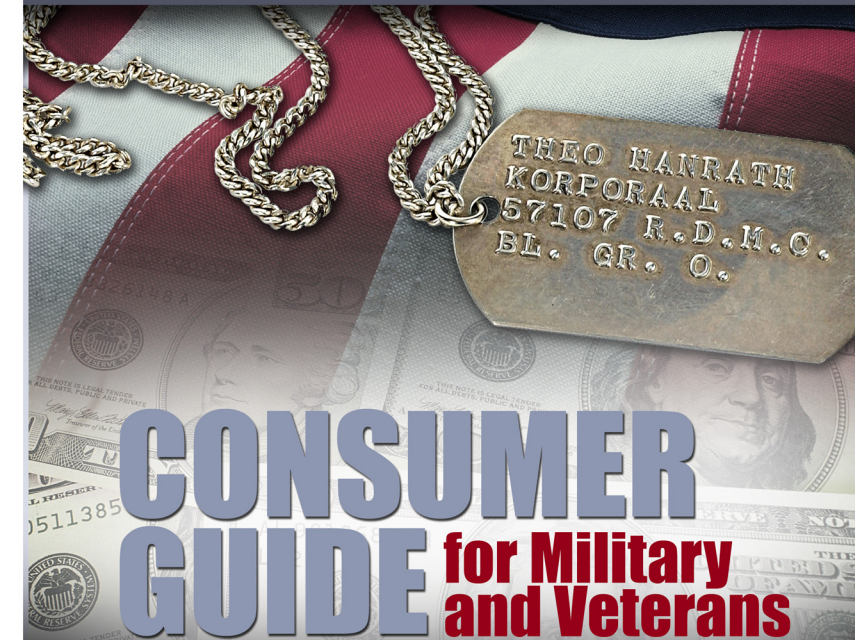
- Threatening to file a lawsuit when they cannot or do not intend to do so.
- Contacting you at unusual times and places (before 8 a.m. or after 9 p.m.), or if you are represented by an attorney.
- Harassment.
- Misrepresenting themselves by name, as an attorney or the amount or legal status of your debt.

If a debt collector is harassing you or contacting you erroneously, complete a complaint form on the Office of Attorney General's website at [www.attorneygeneral.gov](http://www.attorneygeneral.gov), or call 717-783-1944 for assistance.

**Veterans Crisis Hotline:**

**1-800-273-8255**

# PENNSYLVANIA OFFICE OF ATTORNEY GENERAL



**Office of Military and Veteran Affairs**

**[www.attorneygeneral.gov](http://www.attorneygeneral.gov)**

**[Pavets@attorneygeneral.gov](mailto:Pavets@attorneygeneral.gov)**

**717-783-1944**

**KATHLEEN G. KANE**  
Attorney General



*As Attorney General, protecting Pennsylvania consumers is one of my priorities. Sadly, some people seek to make a quick buck at the expense of others, and many set their sights on veteran and military families for their scams and misleading business practices.*

*In fact the volume of military consumer complaints to the Consumer Financial Protection Bureau has grown steadily since the agency's inception, and increased by 148 percent from 2012 to 2013.*

*The best way to prevent being a target is to be an educated consumer and to protect your personally identifiable information. Read below for information on the most common consumer issues impacting veteran and military communities.*

*Kathleen G. Kane*  
**Kathleen G. Kane, Attorney General**

## Credit card complaints

While serving on active duty, military members including reservists and National Guard members are afforded certain protections under the Servicemembers Civil Relief Act (SCRA). One provision of the law limits the amount of interest collected on debts to 6 percent during the period of active service. This includes active duty, and reservists and National Guard members while they're deployed.

SCRA states that interest above 6 percent may not accrue, and that any amount above 6 percent during active service must be forgiven. These provisions are for both credit and mortgage debt incurred before active service by an active duty, reservist or National Guard member.

To qualify, a service member is obligated to provide written notice and a copy of military orders to creditors as soon as possible, but no later than 180 days after leaving active service.

### Deploying?

Consider placing an active duty alert on your credit report while you're deployed to reduce your risk of identity theft. An active duty alert, managed through the three major credit bureaus, requires businesses to take additional steps before granting credit in your name. You'll also be removed from the credit card bureau's marketing list for pre-approved credit card offers for two years. The alert remains in effect for one year; a new alert can be filed if you are deployed for more than one year.

To place an alert contact the three credit bureaus:

- Equifax:** 1-800-525-6285; [www.alerts.equifax.com](http://www.alerts.equifax.com)
- Experian:** 1-888-EXPERIAN (888-397-3742); [www.experian.com/fraud/center.html](http://www.experian.com/fraud/center.html)
- TransUnion:** 1-800-680-7289; [www.transunion.com/personal-credit/credit-disputes/fraud-alerts.page](http://www.transunion.com/personal-credit/credit-disputes/fraud-alerts.page)

## Managing your Mortgage

Poor mortgage servicing has impacted many military families, damaging their overall financial health. Consumers, including veterans and military members, now have increased rights, protections and guidance, which can aid in dealing with mortgage servicers.

### Wrongful foreclosures

Several of the nation's largest banks agreed to conduct a careful review to determine if any service members were foreclosed on since Jan. 1, 2006 in violation of the Servicemembers Civil Relief Act (SCRA). Any military member who was a victim of a wrongful foreclosure is entitled to a payment.

Additionally, under SCRA military members on active duty cannot be charged mortgage interest above 6 percent, but are required to inform their mortgage servicers in writing and provide a copy of military orders as soon as possible.

### Permanent Change of Station

Permanent Change of Station (PCS) orders present unique challenges for military families particularly because they are nonnegotiable and have strict timelines. A family may be forced to sell their home quickly, even if it has declined in value.

A mortgage servicer should provide accurate, clear and understandable information on any assistance they're aware of. A servicer should:

- Not advise a homeowner to waive their legal rights under SCRA.
- Not advise a homeowner who is current on their mortgage to skip a payment in order to create the appearance of financial distress.
- Promptly communicate the servicer's decision on a homeowner's request for assistance.



## Tips to prevent having your pension poached

Don't pay for a service that is free. There is no cost for forms or to apply for VA benefits, and you can get free assistance from trained veterans service officers across Pennsylvania.

Check a person or group's VA accreditation.

Ask an advisor what the impact of purchasing their product will be on your eligibility for other benefits like Medicaid.

Take time to consider your options before signing a contract.

Don't be pressured into accepting an advisor's advice. If an advisor pressures you, or offers vague or evasive answers to your questions take those as indicators you should not trust them with your money or paperwork.

Get everything you've discussed in writing, read all paperwork and the contract carefully, and get answers to your questions in writing.

Don't believe a promise or guarantee offered by an advisor claiming they can secure A&A benefits. There are no guarantees.

## File a complaint

If you feel that you've been the victim of a dishonest financial planner, or that someone is operating dishonestly, you can file a complaint with the Federal Trade Commission at [www.military.ncpw.gov/file-complaint](http://www.military.ncpw.gov/file-complaint). The FTC does not resolve individual cases, but can assist law enforcement in spotting trends and identifying fraud for prosecution.

Also, complete a consumer complaint on the Pennsylvania Attorney General's website at [www.attorneygeneral.gov](http://www.attorneygeneral.gov); call 717-783-1944; or email [pavets@attorneygeneral.gov](mailto:pavets@attorneygeneral.gov).



Office of Military and Veteran Affairs

[www.attorneygeneral.gov](http://www.attorneygeneral.gov)

[Pavets@attorneygeneral.gov](mailto:Pavets@attorneygeneral.gov)

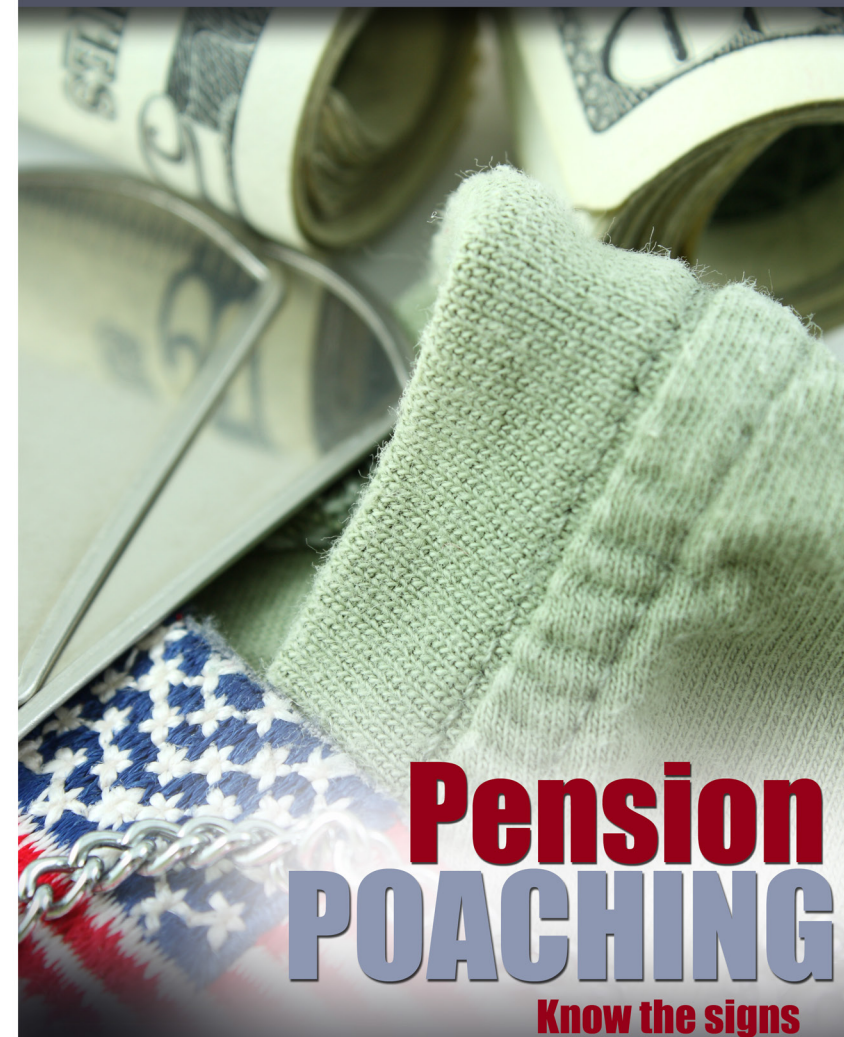
717-783-1944

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**Veterans Crisis Hotline:**

**1-800-273-8255**

P E N N S Y L V A N I A  
**OFFICE OF ATTORNEY GENERAL**



KATHLEEN G. KANE  
Attorney General





*Veterans over 65 who qualify for a pension don't deserve to be swindled out of their hard-earned benefit with dishonest financial advice -- but that's exactly what some unscrupulous financial planners aim to do. Dishonest planners target veterans and their families claiming to offer free help with completing paperwork or filing claims, but intend to charge hefty fees for their advice or products they're selling.*

*The best way to avoid being sold an unnecessary product or pay for a dishonest advisor's services is to know your benefits, understand your options for filing a claim, and recognize the signs that financial advice isn't 100 percent truthful.*

*Review this brochure to learn more about how pension poachers operate, tips on how to avoid being a victim, and where you can find free assistance to explore your eligibility for benefits, complete paperwork and file your claim.*

**Kathleen G. Kane,**  
Attorney General

## **How pension poachers operate**

There are dishonest financial planners and advisors who target veterans and their families, offering assistance with filing paperwork or claiming they can help veterans qualify for supplemental benefits. These advisors fail to fully explain the details or long-term consequences of their advice. Some have sophisticated operations, which makes it more difficult to recognize when they are offering advice that you can ordinarily get for free, or selling you a product you don't really need.

In one common approach an advisor claims they can assist a veteran or their family in qualifying for Aid and Attendance benefits (A&A) by transferring the veteran's assets into a trust or by purchasing a product, like an annuity. However the A&A has strict eligibility guidelines. The transferring of such assets may

result in the veteran failing to qualify for other services, like Medicaid; or being forced to pay back any payment or services received erroneously. Some advisors charge hundreds or thousands of dollars for incomplete or inaccurate advice and are long gone when the veteran or their family have a question.

There are organizations or financial planners who stay right within the edge of the law. To protect yourself and your family, know where you can find out if what an advisor is offering is accurate and sincere.

## **Where you can get real advice**

There are no costs for VA forms nor are there application fees for A&A benefits. Pennsylvania veterans and their families can receive free information and assistance in their county Veteran Service Office (check online, or call your county commissioners' office). There may also be help with other VA-recognized Veterans Service Organizations. For a complete list visit [www.VA.gov](http://www.VA.gov) and search for "OGC-Accreditation Search."

The VA accredits professionals from VA-recognized VSOs, independent claims agents and private attorneys. Accreditation means that a provider is trained in how to complete paperwork and file claims. Accreditation doesn't mean the VA endorses the professional's advice, their products or ethics, only that they are trained in completing and submitting the claim.

Accredited professionals are not permitted to charge a veteran to complete or submit a veteran's claim.

## Red Flags of Identity Theft -

If you experience one or more of the following indicators, an identity theft may have occurred.

- Errors on your bank account, credit card or other account statement.
- Mistakes in the explanation of medical benefits of your health plan.
- Your regular bills or account statements don't arrive on time.
- You receive bills or collection notices for products or services you never received.
- You receive calls from debt collectors for debts that don't belong to you.
- You receive a notice from the IRS that someone used your Social Security number.
- Mail, email or calls about accounts, or jobs in your minor child's name.
- Unwarranted collection notices on your credit report.
- Businesses decline your checks.
- You're unexpectedly denied a loan or job.

### Standard procedure if your personal information has been compromised...

- Contact the police
- Immediately close all accounts
- Open new accounts with different pin numbers or passwords
- Report it to the Office of Attorney General: **1-800-441-2555**; and the Federal Trade Commission: **1-877-ID-THEFT** (438-4338)
- Start a secure file of all correspondence
- Contact 3 major credit bureaus and place a "fraud alert" on your report

Equifax: 1-800-525-6285, [www.equifax.com](http://www.equifax.com)

Experian: 1-888-397-3742, [www.experian.com](http://www.experian.com)

TransUnion: 1-800-680-7289, [www.transunion.com](http://www.transunion.com)

## Safeguarding your password:

1. **Create password with a minimum of 12 characters**
2. **Mix letters, numbers and special characters**
3. **Consider a unique phrase, add numbers at the beginning and end**
4. **Never write your password down or store it on your computer**
5. **Change your password regularly, and immediately if you suspect someone has guessed it**

## Annual Credit Reports –

Consumers are eligible to one free credit report from each bureau per year, so you can stagger requests and receive a report every four months.

To get your free credit report:

Log on - [www.annualcreditreport.com](http://www.annualcreditreport.com)

Call - **1-877-322-8228** or

Write - **Annual Credit Report request**

**P.O. Box 105283**

**Atlanta, GA 30348-5283**

**Veterans Crisis Hotline:**

**1-800-273-8255**

P E N N S Y L V A N I A  
**OFFICE OF ATTORNEY GENERAL**



**Combating  
ID THEFT**



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**KATHLEEN G. KANE**  
Attorney General



# Combating ID THEFT



*Each year more than 10 million Americans have their personal information -- including name, Social Security number, or bank account or credit card numbers -- stolen. Scammers use this information to open phony credit cards, bank or utility accounts, and sometimes to use the victim's identity to secure benefits such as health care or government assistance. Having your identity stolen can harm your finances and credit history, damage your reputation, and prevent you from getting a job. Recovering from identity theft can be a frustrating, costly and time-consuming process for consumers and businesses.*

*Sadly, veterans and military members are targeted by identity thieves who seek to appeal to their patriotism, pilfer their hard-earned benefits or exploit elements of a military lifestyle, like frequent travel. In fact, according to the Federal Trade Commission, ID theft was the number one complaint from military consumers.*

*Scammers operate in a variety of ways, and as Attorney General I'm committed to educating every Pennsylvanian about preventing ID theft and protecting citizens from those who perpetrate it. This brochure includes tips on how to prevent ID theft, recognize the signs that your personal information may have been compromised, and the steps to take if you've had your identity stolen.*

*Keeping your personal information secure is the most important step in combating ID theft and the Office of Attorney General is here to help.*

*Kathleen G. Kane, Attorney General*

### **ID Theft Tactics**

There are several methods scammers use to steal your information. Some are sophisticated, using mail, phone or online scams. Others include taking advantage of documents left unattended in open view such as taking mail from an unsecured mailbox or going through the trash. Scammers will "dumpster dive" to steal personal information. Some use old school tactics like pickpocketing, stealing records or keeping a restaurant customer's credit card information. In fact 55 percent of ID theft is perpetrated by someone the victim knows.

- Use ATMs inside banks and stores. ATMs located outside can be tampered with more easily.
- Never give out banking, credit card or Social Security numbers to people who initially contact you by phone or email. Look up the caller's information on your own to confirm the request.
- Don't complete unsolicited surveys or popups.
- Verify a charity before you donate -- in Pennsylvania, check with the Department of State.
- Caller ID displays can be manipulated by thieves; don't trust that they're correct.
- Make shredding materials with your personal information standard procedure. A crosscut shredder is best.
- Be careful of information you keep on iPads, smartphones, netbooks, laptops, etc. because they're easily stolen and compromised.
- Steer clear of public or shared photocopiers because they have a digital memory; instead use a home scanner, or if using a public copier use correction tape to cover personal data and handwrite the information on copies.
- Opt out of junk mail by logging onto [www.dmachoice.org](http://www.dmachoice.org); and for unsolicited credit card offers [www.optoutprescreen.com](http://www.optoutprescreen.com), or call 1-888-OPT-OUT.
- Use a mailbox that locks.
- Keep a security box in your home and affix it to a closet wall or floor so it can't be removed easily.
- Always verify websites, don't trust a link that comes in an unsolicited email.
- Never pay taxes or a fee in order to claim a prize. In fact, a random phone call, letter or email indicating you have won a prize is most likely a hoax to scam you.

## Credit Repair Scams

There is a brisk business among so-called “credit repair” companies that charge from \$50 to more than \$1,000 to “fix” your credit report. In many cases, these outfits take your money and do little or nothing to improve your credit report. Often, they just vanish. There are no quick or easy cures for a poor credit history. If a credit repair company promises you it can clean up your credit report, remember the following:

Your credit history is maintained by private companies called credit bureaus that collect information reported to them by banks, mortgage companies, department stores, and other creditors;

These credit bureaus can legally report accurate negative credit information for seven years and bankruptcy information for ten years;

Accurate items that are within the seven (or ten) year reporting period cannot be erased from your credit record by companies advertising “credit repair” services; and

If you have a poor credit history, even if your past problems were due to illness or unemployment, time is the only thing that will heal your credit report.

## Tips:

### Shop Around

Once you have determined which type of loan is best for you, check with several lenders, compare terms, rates and conditions.

### Ask Questions

Is the application fee refundable if you don't qualify or decide not to accept the loan? What is the annual percentage rate? Is it fixed or adjustable? Is there a balloon payment at the end of the term?

### Review and Negotiate

Once you have chosen a lender, try to negotiate. Perhaps the lender could lower the interest rate or remove a term you do not like. Make sure you ask for a blank copy of the forms you will get at closing and review them carefully. Be certain you can afford the loan; if you can't, you could lose your home.

### The Final Deal

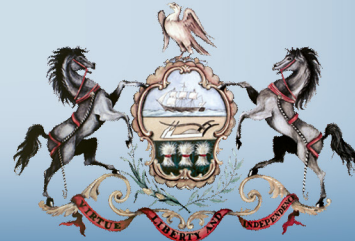
Before closing, ask for an explanation of anything you don't understand. Never sign a loan agreement if the terms differ from what you were originally told or if there are blanks to be filled in later by the lender. Make sure you get a copy of all the documents you sign before you leave!

## What is in your Credit Report?

If you're having trouble getting credit, try checking your credit report yourself. You can obtain one free credit report a year from each credit reporting bureau, by visiting [www.annualcreditreport.com](http://www.annualcreditreport.com) or by contacting the three credit reporting bureaus: Equifax, Experian, and Transunion. The credit report tells how you've managed your credit in the past. Companies examine your credit report before deciding whether to give you credit. When a company denies your request for credit because of your credit report, it must tell you so and identify the credit reporting bureau that supplied the report.

Pennsylvania  
Office of Attorney General  
Public Protection Division  
Bureau of Consumer Protection

Toll Free Helpline:  
**1-800-441-2555**



[www.attorneygeneral.gov](http://www.attorneygeneral.gov)

P E N N S Y L V A N I A  
OFFICE OF ATTORNEY GENERAL

# Loans & Credit

Know all your options

before you sign,

from different types

of loans available

to credit repair scams

Kathleen G. Kane  
Attorney General



## Kathleen G. Kane Attorney General



*Your home is likely to be your biggest investment and financial asset. That's why it is extremely important to know the facts when considering refinancing or borrowing against your home equity. While most lenders are legitimate and honest, unfortunately there are some unscrupulous ones who will try to take advantage of consumers.*

*Understand the different types of loans available to consumers and familiarize yourself with the issues associated with home and credit lending.*

*Be certain to understand all of the terms and conditions before agreeing to any loan or you may put your most valuable asset at risk – your credit history!*

*Consumers searching for an easy way out of their credit problems are susceptible to a wide range of credit-related scams in addition to credit repair fraud.*

## Types of Loans

You may see advertisements for home equity loans, debt consolidation loans, second mortgages, or offers to refinance or modify your current loan. Understand that most of these loans use your home as collateral, which means that you are putting your property in jeopardy if you cannot make the payments.

**Home Equity Loans** use a credit line to borrow against the value (equity) of your home. These loans provide you with large amounts of cash at relatively low interest rates, which may be tax deductible. Some loans have a final, balloon payment at the end of the term. You must either pay this lump sum or refinance the loan.

A **Refinancing** means paying off an existing mortgage loan with the proceeds from a new loan, using the same property as collateral. It is important to note that you may be subject to the same costs you paid to get your original mortgage, including settlement costs, discount points and other fees. A prepayment penalty may apply for paying off the original loan early. The amount you save will vary depending upon factors such as interest rates, refinancing costs and tax consequences.

A **Second Mortgage** is an additional mortgage on the property. A property can have multiple loans or liens against it. The loan which is registered with the county registrar first is called the first mortgage. In most cases, a second mortgage takes the form of a home equity loan or line of credit.

A **Debt Consolidation Loan** is a single loan, such as a home equity loan or the refinancing

of an existing loan, used to pay off multiple debts – credit card bills, for example. Debt consolidation loans often offer a lower monthly payment, but with a longer term to pay off the loan. This means you may be paying more in interest in the loan run.

A **Loan Modification** is a process where the terms of a mortgage are modified outside the original terms of the contract agreed to by the lender and borrower. A loan modification will typically result in the change to the loan's monthly payment, interest rate, term or outstanding principal.

## Credit Information

By now you've probably received many credit card offers. Credit card companies are always looking for new customers. They would like you to become a cardholder as early as possible in order to keep you as a satisfied customer for many years. There are a lot of businesses willing to let you have their credit card. It's easy to get credit cards and they can help you develop a healthy financial record if used sparingly and responsibly. Unfortunately, you can also get trapped with huge debt and no way out.

### Be Careful!

It's enticing to use your credit card and run up a tab you cannot pay. The credit card companies recognize that many people are unable to pay the full balance each month. Instead, they will allow you to make a minimum monthly payment. Although this sounds appealing, it can be the start of serious financial problems.

## Borrowers Beware

Use a lender you know and trust. An unscrupulous lender may attempt one of these common scams:

### Equity Stripping

This is a practice where loans are made to consumers without regard to the borrower's ability to pay. For instance, an unscrupulous lender may encourage you to overstate your income on the loan application in order to get the loan approved, knowing you will not have the income to cover the monthly payments. You may also be encouraged to borrow more than you need so you will have extra spending money. As soon as you default on the loan, the lender will foreclose, taking your home and the equity in it.

### Signing Over the Deed

You can't pay your mortgage and face foreclosure. A "lender" contacts you, offering help. First, the lender requires you to deed the property to him, claiming this is a temporary safety measure to prevent foreclosure. It is not. Once the lender has the deed, he owns your property. He can borrow against it or sell it to someone else. The lender can treat you as a tenant, using the mortgage payments as rent. Once you default on the payments, the lender can evict you from your own home.



## MAIL-IN FORM

You must have a PA residence to register.

Name\*

---

---

Address\*

---

---

City\*

---

State\*

Zip\*

---

Email

---

Signature\*

---

By submitting this information, you are certifying that it is true and correct.

Enter up to seven home or cell phone numbers for inclusion in the "Do Not Call" list. (At least one is required)

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*Please note:* Because the Do Not Call list is updated quarterly, there will be a delay before you experience a reduction in telemarketing phone calls.

### Tips to help avoid unwanted calls:

- Be mindful of providing your telephone number at cash registers and check out points. Your number could be placed on telemarketing lists without any additional consent.
- Be aware of providing contact information when participating in online surveys or contests.
- Entering contests at fairs and public events may lead to future telephone solicitations.

There are several ways in which you can register for the Do Not Call list.

Visit [www.attorneygeneral.gov](http://www.attorneygeneral.gov) to complete the online registration form

Call the toll-free helpline at 1-888-777-3406

Mail your name, complete mailing address, telephone number(s) and signature to:

Office of Attorney General  
Bureau of Consumer Protection  
Do Not Call List  
Strawberry Square, 15<sup>th</sup> Floor  
Harrisburg, PA 17120

*Be sure to register your landlines and cell phones!*



For more information about the Do Not Call list, visit

[www.attorneygeneral.gov](http://www.attorneygeneral.gov)

do NOT call

[www.attorneygeneral.gov](http://www.attorneygeneral.gov)

1.888.777.3406

PENNSYLVANIA

Have you registered?

Kathleen G. Kane  
Attorney General

Office of Attorney General



# PENNSYLVANIA?

## Have you registered?

*Unwanted telemarketing calls can be a nuisance and an intrusion upon your privacy at home. In 2002, Pennsylvanians were first given the opportunity to avoid these calls by registering for the Do Not Call list. In fact, one million citizens registered in a single two-week period that year, and millions more have registered through the past few years.*

*Please make sure that your home telephone numbers, including cell phones, are on the list by registering.*

*Don't delay — visit our website at [www.attorneygeneral.gov](http://www.attorneygeneral.gov) or call the helpline at 1-888-777-3406 to register today.*

*Kathleen G. Kane*



**Kathleen G. Kane**  
Attorney General



The Office of Attorney General is responsible for enforcing the Do Not Call law, which allows Pennsylvania residents to avoid unwanted telemarketing calls to their homes. Telemarketers are prohibited from calling anyone whose name is on the statewide Do Not Call list.

There is no fee for registering on the list. This list is updated quarterly, so there is a delay between the time you register for the Do Not Call list and the time the telemarketers receive your information. You can register residential landlines and cell phones.

Once you have registered, remember that the list is distributed to telemarketers on a quarterly basis under Pennsylvania law. Telemarketers then have 30 days to remove your number(s) from their calling lists.

Telemarketers may call from outside the United States or use technology to mask the origins of their calls. This can make identification of who placed the call and enforcement against them difficult. We work with the FTC to track these calls.

### UNDERSTANDING THE LAW

The Do Not Call law provides for several exceptions under which telemarketers may call your home even if your number is registered on the Do Not Call list. The exceptions include calls from:

- Telemarketers who have had an established business relationship with you within the 12 months preceding the call.
- Tax-exempt charitable organizations, veterans organizations chartered by the U.S. Congress and calls made on behalf of a political candidate or political party.
- Telemarketers calling at the express request of the residential telephone customer.

The Do Not Call law also prohibits telemarketers from blocking their telephone numbers from a person's caller ID device. Telemarketers who violate the provisions of the law could face a civil penalty of \$1,000 per violation. The penalty could be increased to \$3,000 if the call is placed to a person 60 years old or older who is registered on the Do Not Call list.

[www.attorneygeneral.gov](http://www.attorneygeneral.gov)



## Investment Scams

Investment scams flourish in good and bad economic times and are creatively tailored to take advantage of consumers in all financial situations. Stocks, mutual funds, commodity scams, Ponzi schemes, internet scams, and investment seminars are among the many types of investment scams. Scams masquerading as legitimate investments draw in many unsuspecting consumers.

Con artists rely on the basic principles of human behavior for their schemes to succeed. Most people are afraid to take risks and con artists know you're afraid. They'll tell you there is little or no risk in an opportunity that could yield untold riches. If there's no risk, why not jump in? Con artists use urgency and scarcity to lure their victims quickly, before the victims have a chance to do any research or background checks on the legitimacy of the investment opportunity.

Although most insurance agents are reputable, some unscrupulous agents target the elderly or ill will "get-rich" schemes that leave the agent rich and the elderly with nothing or far less than they bargained for. Insurance products are complicated and an unscrupulous agent can use these complexities, coupled with high pressure tactics, to lure unsuspecting consumers into worthless or overpriced insurance products.

## Loan Flipping

A lender convinces you to refinance your home. You agree and make a few payments on the new loan. The lender then approaches you offering a bigger loan for something such as a "dream vacation." When you accept the new offer, the lender refinances the original loan, lending additional money. In doing so, you are charged high points and fees and an increased interest rate for each refinancing. You'll also have to pay any prepayment penalties each time. The result is more debt over a longer period of time.

## Reverse Mortgages

A reverse mortgage is a loan available to home owners or home buyers, enabling them to access a portion of the home's equity. The home owners can draw the mortgage principal in a lump sum, by receiving monthly payments over a specified term, or over their lifetime as a revolving line of credit.

Title to the property remains in the name of the homeowners, to be disposed of as they wish, but there will be a lien, or an amount that is owed to the reverse mortgage company.

Eligibility requirements will vary by lender but most will require the borrower to be at least 62 years old and must occupy the property as their principal residence. There

is no minimum income or credit requirement because no payments are required on the reverse mortgage. The loan comes due when the borrower dies, sells the house, fails to keep the taxes or insurance current, or moves out of the house for more than 12 consecutive months. Once the mortgage comes due, the borrowers or heirs of the estate have an option to refinance the home and keep it, sell the home and cash out any remaining equity, or turn the home over to the lender.

Where to go for more information:

Pennsylvania Office of Attorney General  
Bureau of Consumer Protection  
15th Floor, Strawberry Square  
Harrisburg, PA 17120  
1-800-441-2555  
[www.attorneygeneral.gov](http://www.attorneygeneral.gov)

Pennsylvania Bar Association  
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## How to Identify and Avoid Living Trust & Investment Scams

Myths and Tips on Estate Planning  
including Loan Flipping and Reverse Mortgages



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*Estate planning (directing what will happen to your assets after your death) is a responsible and considerate thing to do – it saves your loved ones added hardships during this time. There are various estate planning tools and you should research all available options in order to determine which tool is right for your needs.*

*Unfortunately, there are unscrupulous salespeople that may attempt to sell you pricey and often unnecessary estate planning products.*

## Useful Terminology

### **Probate:**

A legal procedure where a will is filed with the Register of Wills at the courthouse. All wills must be probated.

### **Trust:**

An agreement to hold legal title to property by a person for the benefit of himself or another.

### **Living Trust:**

A trust created for the trustor (you) and administered by you or another person during the trustor's lifetime and is used to distribute property after your death. The trust can be revocable (you can make changes) or irrevocable (you cannot cancel or make changes).

### **Beneficiary:**

The person who is to receive the benefits of the property that is titled in the name of the trust.

### **Trustee:**

The person who is responsible for managing the property named in the trust.

### **Will:**

A legal declaration of how a person wishes his or her possessions to be disposed of after death.

Myths about living trusts vs. wills:

**Probate is nearly always a length, costly, and intrusive process.**

Unless there is a challenge to your will, probate can take only months and only relevant parties are involved.

**Living trusts are appropriate for nearly all estates.**

Only a competent attorney can determine whether you need a living trust. Not everyone can benefit from or needs such a trust.

**Living trusts reduce and/or eliminate income and estate taxes.**

Putting your income into a living trust does not shield it from taxes. Inheritance taxes are applicable to everyone.

**You don't need a will if you have a living trust.**

A "pour-over will" is still necessary to transfer any property you own at your death that was not previously included in the trust.

Tips to help you avoid an estate planning scam:

- Beware of high-pressure sales techniques.
- Research what estate planning tool is right for you – consider consulting a licensed attorney for assistance.
- Never sign anything you do not fully understand.
- Verify the qualifications of the person offering to sell or prepare a trust for you.
- Remember the three-day "Cooling Off" rule. If the sales transaction occurs at your home or via your home telephone, you have three days to cancel the contract.
- Beware of "cookie-cutter" or pre-drafted living trusts. Your estate planning documents should be customized to meet your individual needs.
- Ask questions and do not purchase anything if the answers you receive are vague or confusing.