



CONSUMER ADVOCATE

A publication from the Consumer Protection Section of the Office of Ohio Attorney General Richard Cordray

CONSUMERS TO RECEIVE \$207,500 FROM DEBT COLLECTION SETTLEMENT

Attorney General Richard Cordray has secured \$207,500 in consumer restitution and a comparable amount in payment to the state's Consumer Protection Enforcement Fund in a settlement with National Enterprise Systems, Inc. (NES), a Solon-based debt collector.

In July 2009, Cordray sued NES for harassing consumers when attempting to collect debts.

As a result of the settlement, NES agreed to make payments and to implement changes in its debt collection practices. For example, NES agreed to:

- Train employees to comply with applicable state and federal law.
- Send written communication within five days of first contact with the debtor and include the amount of debt, the name of the creditor, a notice that the debtor has 30 days to dispute the debt, how to dispute the debt and how to ask for validation of the debt.

- Include in settlement agreements the total amount due, settlement amount, monthly payment amount and approval of creditor.

Cordray said his office will continue to monitor NES. Consumers who filed complaints prior to the agreement may be eligible to receive \$200 or more in restitution and will receive notification through the mail.

Under state and federal law, debt collectors may not: harass consumers' coworkers or family members; call before 8 a.m. or after 9 p.m.; use abusive language; attempt to collect debts consumers do not owe; fail to verify debts; or make unauthorized withdrawals from consumers' bank accounts.

Learn more about the NES settlement or get help dealing with debt collectors at www.OhioAttorneyGeneral.gov.

FIVE EASY STEPS TO YOUR FINANCIAL WELLNESS

April is Financial Literacy Month, and to celebrate, we are joining the Ohio Retirement and Savings Awareness Initiative to help you manage your finances, starting with five easy steps.

1. Promise to make changes.

Acknowledge that you can improve your financial wellness, and take stock of your situation: Are you sticking with a budget and paying your bills on time? Do you check your credit report regularly at

www.AnnualCreditReport.com? Do you put money away for emergencies? Commit to making positive changes.

2. Organize and consolidate your financial documents.

Unclutter by keeping the records you need and tossing the ones you don't. For example, keep your tax returns for seven years, along with receipts for tax deductions. Keep your pay stubs all year to compare against your annual W2.

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CORDRAY LAUNCHES STATEWIDE EFFORT TO PROTECT SENIORS

Earlier this month, Attorney General Richard Cordray joined other officials to encourage local agencies to partner with seniors and activate Triad groups. Triads are partnerships between law enforcement, senior citizens and community groups.

Cordray said the need for these partnerships is critical and will be even more necessary as baby boomers get older.

According to the Ohio Department of Job and Family Services, 16,370 incidents of abuse, neglect and exploitation of Ohioans over the age of 60 were reported in 2009, up from 15,050 incidents reported in 2008. The incidents range from financial crimes to physical abuse and were reported in every region of the state.

While the numbers of reported incidents of elder abuse are climbing, national estimates indicate that only one in five elder abuse situations in Ohio are reported to authorities. Also, only an estimated one in 25 financial crimes against seniors is reported.

Partnering with Cordray in this effort to protect seniors are: National Association of Triads, Inc., Buckeye State Sheriffs' Association, Ohio Association of Chiefs of Police, Ohio Crime Prevention Association and Ohio Department of Aging. Learn more at

www.OhioAttorneyGeneral.gov

AUTO WARRANTIES: WHAT YOU NEED TO KNOW

Warranties are guarantees by manufacturers or sellers that their goods or services have the qualities they say they have. In other words, a warranty is a company's promise to stand behind its product.

Under the federal Magnuson-Moss Warranty Act, if a manufacturer offers a warranty, the warranty must be available for the consumer to read before the purchase is made.

An extended warranty lengthens the coverage provided by the regular warranty, usually by two or three years. For a new car, an extended warranty often costs several hundred dollars or more. Although the salesperson may assure you that an extended warranty is a good investment, many consumers find the added protection unnecessary.

For used cars, an "extended warranty" usually comes from a third-party company, not the car manufacturer, and likely won't offer the same protection as a warranty from the car manufacturer. If the warranty company goes out of business, the warranty is worthless.

A product purchased "as is" has no warranty. For example, if you buy a used car "as is," the seller is not responsible for any repairs. You will have to pay for any repairs.

How to evaluate and compare warranties

- Find out how long the warranty lasts. Also, look for any conditions that would void or cancel the coverage.
- Understand who will perform services under the warranty. Consider where you will need to take the car for repairs and whether the warranty covers extra costs, such as towing fees.
- Get all warranties in writing. If a salesperson makes verbal promises about a warranty, make sure those promises are included in the written contract. Otherwise, they are not guaranteed.
- Be wary about "extended service contracts" for used cars. They may appear to be from your vehicle manufacturer. In reality, they are usually sold by a third party unaffiliated with your manufacturer. In many cases, consumers find extended service contracts unnecessary.

WANT UPDATES?

- Receive the Consumer Advocate via e-mail by signing up at www.OhioAttorneyGeneral.gov/ConsumerAdvocate.
- Receive news and updates from the Ohio Attorney General's Office by signing up at www.OhioAttorneyGeneral.gov.
- Visit www.OhioAttorneyGeneral.gov for more information.

FIVE EASY STEPS TO YOUR FINANCIAL WELLNESS

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Once you've checked your W2 for accuracy, shred the old pay stubs. Toss receipts for groceries and other expenses that are not tax deductible after you have recorded them for your budget and/or compared them with your credit card statement.

3. Make it easy on yourself. Use free online bill payment services (saves time and postage), and set up automatic bill payment for your recurring bills, such as your house, car and insurance payments. Set aside one area of your home for bill paying and record storing. If you decide to use a paperless filing system, make sure you regularly back up your computer and use a good security system to protect your information.

4. Pay down your debt. Take an honest look at your situation and commit to tackling your debt. Ask yourself: Are you at or near the limit on your credit cards or other loans? Are you paying bills with money you've set aside for other purposes? Are you straying from your monthly budget? Are you making only the minimum payments on your credit cards and loans? Start by paying off your highest interest credit card or loan first, or tackle the smallest bill and pay a little extra each month.

5. Save. Make simple annual increases to your retirement savings account. Plan to save more tomorrow by thinking about it today. When possible, increase your monthly contributions to your retirement savings account.

Learn about the Ohio Retirement & Savings Awareness Initiative for state employees at www.Ohio457.org.

HAVE A PROBLEM? FILE A COMPLAINT

If you have a consumer problem that you can't solve on your own, file a complaint with Attorney General Richard Cordray's office. We'll do everything we can to help you resolve it.

File a complaint online at www.SpeakOutOhio.gov or by calling (800) 282-0515.