

THE CREDITOR

MEMPHIS MUNICIPAL EMPLOYEES FCU



July
2006



You see the advertisements in newspapers, on TV, and on the Internet. You hear them on the radio, or get fliers in the mail. You may even get calls from telemarketers offering credit repair services. They all make the same claims:

"Credit problems? No problem!"

"We can erase your bad credit-100% guaranteed."

"Create a new credit identity-legally."

"We can remove bankruptcies, judgments, liens, and bad loans from your credit file forever!"

Do yourself a favor and save some money, too. Don't believe these statements. The negative effects of credit problems are numerous. So many decisions, loan and insurance applications, even employment opportunities are based on your credit rating. If you've had poor credit in the past, it's time to move on. Only time, a conscious effort, and a personal debt repayment plan will improve your credit report. Your credit union is here to aid you in getting back on the right track. Just stop in and ask how we can help you — our valuable members.

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Your Savings
At The Credit Union
Are Insured To
\$100,000

COMPLIANCE NOTICE !!!

The credit union may report information about your accounts to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.

From the desk of Uzell Garner Jr.

Is Credit Repair Legal?
We at the credit union are often asked about credit repair. Are you thinking of having your credit repaired?

You really need to know the truth before spending your money unwisely.

The Truth

No one can legally remove accurate and timely negative information from a credit report. But the law does allow you to request a reinvestigation of information in your file that you dispute as inaccurate or incomplete. There is no charge for this. Everything a credit repair clinic can do for you legally, you can do for yourself at little or no cost. According to the Fair Credit Reporting Act:

- You are entitled to a free copy of your credit report if you've been denied credit, insurance or employment within the last 60 days. If your application for credit, insurance, or employment is denied because of information supplied by a credit bureau, the company you applied to must provide you with that credit bureau's name, address, and telephone number.
- You can dispute mistakes or outdated items for free. Ask the credit reporting agency for a dispute form or submit your dispute in writing, along with any supporting documentation. Do not send them original documents.

Reporting Negative Information

Accurate negative information generally can be reported for seven years, but there are exceptions:

- Bankruptcy information can be reported for 10 years;
- Information reported because of an application for a job with a salary of more than \$75,000 has no time limitation;
- Information reported because of an application for more than \$150,000 worth of credit or life insurance has no time limitation;
- Information concerning a lawsuit or a judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer; and
- Default information concerning U.S. Government insured or guaranteed student loans can be reported for seven years after certain guarantor actions.

Have You Been Victimized?

If you've had a problem with a credit repair company, don't be embarrassed to report them. While you may fear that contacting the government will only make your problems worse, that's not true. Laws are in place to protect you. Contact your local consumer affairs office or your state attorney general (AG). Many AGs have toll-free consumer hotlines. Check with your local directory assistance. And contact your credit union for help.

Advice Concerning Identity Theft

Maybe you've heard some of this before, but it is worth repeating: ATTORNEY'S ADVICE-----NO CHARGE

- ◆ 1. Do not sign the back of your credit cards. Instead, put "PHOTO ID REQUIRED."
- ◆ 2. When you are writing checks to pay on your credit card accounts, DO NOT put the complete account number on the "For" line. The preprinted slip you return along with your payment is all the credit card issuer needs to ensure payment is allocated against the correct account.
- ◆ 3. Do not put a phone number on your checks. If a merchant requires a phone number, the information can always be written on the face of the check at the time of the transaction. If you have a PO Box, use that instead of your home address. If you do not have a PO Box, use your work address. Never have your SS# printed on your checks, (DUH!).
- ◆ 4. Place the contents of your wallet on a photocopy machine. Do both sides of each license, credit card, etc. You will know what you had in your wallet and all of the account numbers and phone numbers to call and cancel. Keep the photocopy in a safe place. Also carry a photocopy of your passport when traveling either here or abroad. We have all heard horror stories about fraud that is committed on us in stealing a name, address, Social Security number, credit cards.
- ◆ 5. When you check out of a hotel that uses cards for keys (and they all seem to do that now), do not turn the "keys" in! Take them with you and destroy them. Those little cards have on them all of the information you gave the hotel, including address and credit card numbers and expiration dates. Someone with a card reader, or employee of the hotel, can access all that information with no problem whatsoever. Unfortunately, as an attorney, I have first hand knowledge because my wallet was stolen last month. Within a week, the thief(s) ordered an expensive monthly cell phone package, applied for a VISA credit card, had a credit line approved to buy a Gateway computer and received a PIN number from DMV to change my driving record information online.

Here is some critical information to limit the damage in case this happens to you or someone you know:

- ◆ 1. We have been told we should cancel our credit cards immediately. The key is having the toll free numbers and your card numbers handy so you know whom to call. Keep those where you can find them.
- ◆ 2. File a police report immediately in the jurisdiction where your credit cards, etc., were stolen. This proves to credit providers you were diligent, and this is a first step toward an investigation (if there ever is one). However, here is what is perhaps most important of all (I never even thought to do this.)
- ◆ 3. Call the three national credit reporting organizations immediately to place a fraud alert on your name and Social Security number. I had never heard of doing that until advised by a bank that called to tell me an application for credit was made over the Internet in my name. The alert means any company that checks your credit knows your information was stolen, and they have to contact you by phone to authorize new credit. By the time I was advised to do this, almost two weeks after the theft, all the damage had been done. There are records of all the credit checks initiated by the thieves' purchases, none of which I knew about before placing the alert. Since then, no additional damage has been done, and the thieves threw my wallet away this weekend (someone turned it in). It seems to have stopped them dead in their tracks.
- ◆ Now, here are the numbers you always need to contact about your wallet and contents being stolen: 1.) EQUIFAX: 1-800-525-6285; 2.) EXPERIAN (formerly TRW): 1-888-397-3742; 3.) TRANSUNION: 1-800-680-7288; 4.) Social Security Administration (fraud line): 1-800-269-0271. DON'T EVER LOSE THESE NUMBERS !!!

Saving today may make the world of difference tomorrow. Compare these options for your savings plan ...

Regular savings accounts

- Allow you to withdraw your money whenever you want
- Pay a steady — though often small — interest rate, though you may have to maintain a minimum balance to qualify

Certificates of deposit (CDs)

- Generally pay a higher interest rate than regular savings accounts
- If you withdraw your money before the end of the CD's term, you forfeit some or all of the interest

Money market accounts (MMAs)

- Usually pay a higher interest rate than regular savings accounts
- Allow you to write a limited number of checks or make a limited number of transfers each month
- May not pay interest, or imposes fees, or both, if account balance drops below required minimum

We're Waiting For You On The Web

Looking for our latest loan rates? Comparing yields on savings certificates? Need our branch office hours?

Want to be in the know about our special offers? Even if



it's 2 a.m., all of this information and more is available anytime, anywhere by visiting the credit union's Web site. Life's complicated enough, but getting to the credit union doesn't have to be when you visit us at our most convenient location - online. Simplify your financial life by checking out all we have to offer on the Web. Stop by today or tonight, to explore all of our online services. We're ready when you are. Find us at www.mmefcu.org.