

Consumer Advocacy

CUA advocates for consumers by becoming involved in addressing issues that directly impact your personal finances. Here is what we are working on:

Americans for Insurance Reform

Recently, CUA joined another coalition called Americans for Insurance Reform (AIR) (www.insurance-reform.org). AIR's mission is to fight back against insurance industry mismanagement and abuse of consumers. AIR is made up of 70 consumer and public interest groups representing more than 50 million people. The coalition has asked insurance commissioners in all 50 states to end insurance industry price-gouging by instituting major new industry regulatory reforms.

Predatory Lending

Last legislative session, CUA participated in the Fair Lending Coalition. The coalition, representing 2 million Coloradans collectively, supported a consumer bill that would have provided all the consumer protection necessary to prevent predatory lending practices. Unfortunately, our bill was killed. Another bill, sponsored by and heavily lobbied by the lending industry, passed. This bill is a model bill being used nationwide to thwart serious attempts at consumer protection. The final bill that passed in Colorado is far from the protection sought by the Fair Lending Coalition.

Visit www.colorado.gov to find your representatives. Contact them to let them know what you think about this bill.

The Diligent Consumer

--by Renee Beauregard, Executive Director

A diligent consumer can often reap benefits on special bonuses and financing offers. Notice that we say "**diligent consumer**." The truth is, you need to pay close attention to these offers to ensure that you get what you want and nothing you didn't want. So avoid frustration down the road by being aware of the pitfalls of these types of offers:

Bonuses

The Pitch:

"Try this service or product, or come listen to our sales pitch, and get this free gift." Some examples of the gifts are Visa gift cards, travel packages, a cell phone or sometimes as vague as "a gift worth \$100."

The Pitfalls:

1. **Waiting and watching.** You may have to wait 30-60 days or more to receive the gift by mail. Sometimes, in order to receive the gift, you have to sign up to try a service for 30 days and cancel it if you don't like it. This means that you have to keep track of the dates because you will not be reminded and, in the case of trying a service for 30 days, and then cancel it if you don't like it. Your credit card is charged for a fee of some kind on the 31st day. Once, in a case involving Visa gift cards, it took us several phone calls and e-mails to even find out who was supposed to send the card for the company that was giving the gift.
2. **Not-so-free gift.** The "gift" may not really be free or it may not be a deal at all. Travel packages may include hotel or airfare but usually not both. They may be for one person, not two. They may have requirements to stay in certain hotels. If you did your own travel research, you could get a better deal.

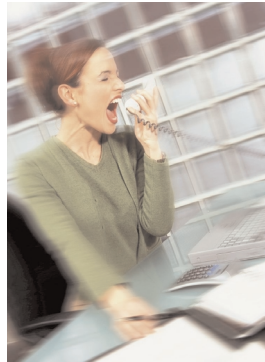
Special Financing

The Pitch:

"No payments for 90 days or one year" or "0% financing."

The Pitfalls

1. **Only applies to certain products or models.** You arrive, primed for a purchase, only to find out that the deal does not apply to the product you want, leaving you to the "other options."
2. **Interest accrues.** Sometimes, although you don't have to make payments, interest still accrues. Then, if you pay on or after the 91st day, all of the interest that accrued during the "free" period will be added to what you owe. We highly suggest paying no later than the terms of the "same as cash" term in order to avoid extra interest accruals.
3. **Suddenly a high interest loan.** If it is not paid within the time period allotted, it automatically becomes a high interest loan.
3. **No statements.** You want to make payments but you don't receive statements. You can't remember when you bought the thing or the payoff deadline.
4. **Shortest term financing only.** The special financing applies only to the shortest term loan offered, making the monthly payment out of your reach.



Tips

1. Carefully evaluate the service or product.
2. Keep track of enrollment dates and deadlines.
3. Follow up immediately if you do not receive your gift.
4. Be careful about accepting another "deal" in place of the offer that was advertised. Be sure you are comfortable with the fine print and with the terms of the new offer.
5. Know how much your financing deal will cost you in the long run.
6. Ask if interest accrues during the financing period in which you don't make payments.

News Briefs



Saying No to Credit Card Companies

According to the Consumer Federation of America, in the past year, credit card issuers have dramatically expanded their marketing and available credit while consumers have increasingly said “no” to new cards and to new lines of credit.

Beware of Promises of Easy Profits

Consumers should be alert to companies that sell investments in precious metals and other commodities based on sales pitches claiming that customers can make a lot of money, with little risk, by purchasing metal through a financing agreement. Sometimes these companies offer opportunities to speculate on the price movement of precious metals, or other commodities such as heating oil, without actually taking delivery of the commodity. For more information, visit www.cftc.gov or call the Commodity Futures Trading Commission at (202) 418-5080.

FDIC Warning on Fraudulent “Bonus” Checks

Here's how it works: You say "yes" to a phone, mail or Internet offer, for which you are to receive an advance payment as a bonus such as a signing bonus for a job. But when the check arrives, it's for an amount much larger than what you were expecting, and you are instructed to deposit the check and wire the excess to a third party. You follow the instructions and, weeks later, your bank discovers that the check is fraudulent. The result: The money you transferred from your account is gone and, depending on the circumstances, you may be liable for all of the money deposited, even if it's far beyond what you have in your account. For more information, visit:

<http://www.fdic.gov/consumers/consumer/news/cnsum02/fraud.html>.

BE INVOLVED IN CUA

Involving yourself in the mission and purpose of CUA not only benefits you but every Colorado consumer. Whether you attend a workshop, join a committee or give us your thoughts on issues, your voice matters. Here are ways to be involved:

Attend our next workshop:

Schemes & Scams
October 23, 6:00-7:30 p.m.
Soopers Credit Union

You must register for this workshop by calling 303-400-3456, or by e-mail at registercua@att.net

Visit our Internet Forum:

<http://forums.delphiforums.com/consumerhelp1>
Registration code: CUAmember

Join a committee:

We are currently forming our legislative, organizing and membership committees. Call or e-mail us for information.

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Consumers United is an association made up of people, credit unions, and corporations who are dedicated to educating consumers on financial issues which impact their personal lives. We offer services and resources to aid consumers in the resolution of consumer problems and provide a united voice for consumers in the legislative arena.

www.cuacolorado.org
consumersunited@att.net
(303) 400-3456

E-Mail Communication

Receive important info by e-mail.

CUA keeps members informed of upcoming events, action alerts and other items of interest to our members. If you would like to be on our e-mail list, please send us an e-mail to consumersunited@att.net with your name included, and we will add you to the list.

E-mail address changes

If your e-mail address has changed, please notify us by e-mail as well.

To be removed from our e-mail list:

removecua@att.net

Access Code Change

Please note that your access code (membership number) has changed. You will now use only the digits that were previously after the dash. For example: 10000-15755 is now only 15755. Use your code and your last name as a password to enter our web site.