

ON YOUR SIDE

Volume 8

An informative presentation from your Pre-Paid Legal District of Columbia/Maryland Provider

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FROM THE DESK OF Jeffrey M. Lippman, Managing Partner

Most of us are very concerned about our credit score and with good reason. This score not only impacts interest and insurance rates but can influence prospective employers. To understand credit scores let's examine the following:

1. What is my credit score?

Most creditors use what is called the FICO score. This is derived from the following:

- timeliness of bill payment
- length of one's credit history
- how credit has been handled over recent years
- ratio of credit used to existing credit
- amounts of credit lines available

A FICO score of 760 or above is considered very good. Once it dips into the 600s your score is working against you. To see the importance of having a high FICO score please log onto www.myfico.com/crediteducation. You will see how much less someone with a high score pays over the lifetime of a mortgage versus someone with a lower score.

2. How do I get a copy of my credit report?

Under the Fair and Accurate Credit Transactions Act (FACTA), every American is entitled to a free credit report once a year from each of the

UNLOCKING THE MYSTERIES OF CREDIT: SOME BASICS

three credit bureaus.

- Equifax 1-800-685-1111
- Experian 1-888-397-3742
- Trans Union 1-800-888-4213

Any errors you find need to be reported immediately and in writing to the credit bureaus. They have thirty days to investigate and a finite period of time to respond to the disputing party.

3. How do I obtain my credit score?

A credit score does not come with the free reports. These may be purchased separately from the credit bureaus typically at a \$10 fee per bureau.

4. How can I improve my credit score?

If you want to raise your score, you need to have a plan in place and be patient. Some easy ways to raise your score over a year or two are:

- Pay your bills on time. 30%-35% of your FICO score is based on payment history.

- Keep credit balances at a relatively low percentage of available credit. Creditors and institutions prefer you to keep that ratio to 30% or lower. Around 30% of your FICO score is based on how much credit you have access to and how much you use.
- Keep a reasonable amount of credit cards or available credit. Canceling credit cards does not always increase your score. Somewhere between 10% and 20% of your FICO score is based on how long you have held your credit cards.
- Approximately 10% of the FICO score is based upon the number of credit inquiries made. Multiple requests can decrease your score.
- Another 10% of the FICO score is based upon what kind of credit you use. Secured loans, like mortgages, are weighed differently than unsecured loans like credit cards. Unsecured loans are considered riskier.
- **MONITOR! MONITOR! MONITOR!** Statistics show that a substantial number of credit reports have errors. Report any errors or disputes immediately.

A WORD FROM THE AMBASSADOR* Edward J. Friedman, Esquire

KNOW YOUR RIGHTS AS TO LAY-AWAY TRANSACTIONS

There exists no federal law that specifically governs lay-away transactions. The closest applicable federal provision is the Federal Trade Commission Act which prohibits unfair or deceptive acts or practices in or affect-

ing commerce. Likewise most states have a Consumer Protection Act which may cover lay-away.

Some states have state specific laws governing lay-away transactions. These laws vary from state to state, so it is important to research whether your state has a specific law on the books. A partial list of jurisdictions with specific laws include California, Idaho, Illinois, Massachusetts, New York State and City, Ohio, Rhode

Island, Maryland, and Washington, D.C.

For this article, we will highlighting the Maryland statute, but the District of Columbia statute can be found in the D.C. Code Section 28-3818.

The Maryland Lay-away Transaction Statute is found in the Annotated Code of Maryland Commercial Law Article, Section 14-1101 - 14-1109.

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* Ambassador award winner 2006, Pre-Paid Legal Services, Inc. National Award to the recipient for spreading the goodwill of Pre-Paid Legal Services, Inc. to the public.

CONSUMER CORNER, By Jeffrey M. Lippman, Esquire

TIPS TO AVOID ONLINE SHOPPING FRAUD

1. Visit a new website found at www.OnguardOnline.gov, which has detailed information on how to avoid being the victim of an online fraud. This site was put together by the Federal Trade Commission and several prominent e-commerce companies.
2. A consumer should engage in an investigation of the shopping web pages before they make any purchase. Internet predators can easily launch an online store which may appear to be legitimate. Simple steps like verifying a physical address and a phone number often will eliminate online predators.
3. If during the course of your transaction, a window pop-up displays requesting personal financial information, do not reply or even click on this message. Legitimate companies don't seek this information by pop-ups. The pop-up is a red flag.
4. The FTC suggests consumers never send cash. Online credit or charge card payments are protected under the Fair Credit Billing Act. This Act gives consumers the right to dispute allegations of credit fraud and withhold payment while the investigation is pending. Further, when a credit or charge card is used without the knowledge of the card holder, that card holder is only liable for up to \$50.00 in payments, per card. Several individual cards have superior policies which lead to less liability for their customers.
5. Keep your own records of transactions. Print the online transactions and maintain a paper trail. Important items to retain include product details, the price, receipts, and any to and from communication with the seller.
6. Check your bank and credit card statements when they arise and report unauthorized transactions promptly.

Further information can be found at www.ftc.gov or you can contact the Federal Trade Commission at 1-877-ftc-help.



We express our support & thanks to the Ravens for their great season.

A WORD FROM THE AMBASSADOR

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The Code defines a lay-away as a contract for the retail sale of consumer goods negotiated in this state under which:

1. Part or all of the lay-away is payable in one or more payments subsequent to the making of the lay-away agreement;
2. The consumer goods are specifically existing consumer goods identified from sellers stock or inventory at the time of making the lay-away agreement;
3. The seller retains possession and risk of loss on the goods until final payment has been paid "in full".

The Maryland law requires Lay-away Agreements to include:

1. name and address of each party
2. date of signing
3. a clear description of goods sold

4. cash price of the goods
5. any charges for delivery, installation, or separate additional charges from the cash price
6. the sum of #4 and #5
7. down payment amount
8. unpaid balance of cash price #6 minus #7
9. the number and times of additional payments
10. the lay-away price sum of #6 and #9
11. a clear statement of the consequences of a default

Other important provisions of the Maryland Act include:

1. A limit on service charges on lay-away to \$1.00 on consumer goods with a price less than \$500.00, and \$5.00 if the price exceeds \$500.00.
2. That a buyer can cancel a lay-away agreement within 7 days without penalty.
3. That as a buyer, you are entitled to an

exact copy of the lay-away agreement signed by the seller.

4. That a seller cannot increase the price of a lay-away purchase, and should the price decrease within ten days of the lay-away agreement, the seller must credit the buyer with the lower price.
5. That should the buyer default under the terms of the lay-away agreement by more than 15 days, seller may cancel the transaction and retain 10% of the lay-away price or the total amount paid by buyer whichever is less.
6. That should seller fail to comply with the Act, the buyer is entitled to three times the amount paid by the buyer under the lay-away agreement, and in some willful cases attorney's fees if a lawsuit is filed and won.

Should you find yourself with a lay-away issue, call Weinstock, Friedman & Friedman, P.A. for a full Title I comprehensive consultation.

CONGRATULATIONS CORNER

Dear Sir/Madam:

We are writing to thank you for the assistance provided by Attorney William Brooke in the review of contracts and documents that we submitted for a home refinance loan. Mr. Brooke not only provided extremely prompt, excellent and professional services but he was also very kind and patient.

This was the first time we sought a home refinance loan and we had many questions. We were also under very limited time constraints. Mr. Brooke responded to our call within an hour and reviewed our documents within 24 hours of receiving them. He worked long and late hours on our behalf and was very meticulous in his review of our documents. He was familiar with the history of the mortgage company we are using as well as specific guidelines of the company that will have a significant impact on the loan agreement.

We are Pre-Paid Legal associates and were so excited about this experience that after sharing our story, we signed up the representative who was working with us on the loan, as a member and a new associate. We later shared our story with a friend who is a real estate agent. She got the membership and shared our story with her broker. We are meeting with him later this week. Mr. Brooke's work has not just impacted our lives but others who have learned of his commitment to serve members of Pre-Paid Legal Services.

Again, thank you for the incredible service you provided and the generosity and kindness with which you provide those services.

Sincerely,



A special congratulation to Cal Ripken for being voted to the Baseball Hall of Fame.

CONGRATULATIONS TO

LISA MCALISTER

RECIPIENT OF

WEINSTOCK, FRIEDMAN &

FRIEDMAN'S

2006

PRE-PAID LEGAL EMPLOYEE

OF THE YEAR

SPOTLIGHT ON

Victor Lembo, Supervising Attorney

Over the past year, Weinstock, Friedman & Friedman has introduced two new positions to its firm. Since May 2006, both Rebecca Carter and Victor Lembo have served as supervising attorneys and added an extra dimension to ensure that Pre-Paid Legal members receive quality care and service. We take the opportunity to spotlight Victor this month, and will highlight Rebecca in an upcoming edition.

Victor Lembo joined the firm in November 2004 following a two-year judicial clerkship at the Circuit Court for Baltimore City. As an associate attorney, he is a member of the Business Department, which encompasses areas such as estate planning, probate, tax and business. In 2006, Victor was recognized by Pre-Paid Legal Services as a recipient of a Member's Choice Award. He shares the following thoughts on his position with the firm.

As a supervising attorney, I focus on providing Pre-Paid Legal members with an additional layer of care and commitment. The firm has excellent, seasoned attorneys to assist under all benefits of your plan and my role is to oversee that our members are receiving them in a competent and consistent manner.

My role is dedicated to Pre-Paid legal matters and I devote my time to operational oversight and ensuring the firm meets and exceeds Pre-Paid standards. I feel it is important to maintain high levels of professionalism and integrity in all aspects of the job and I am dedicated in leading our attorneys to bring that to our Pre-Paid Legal members. Life can present us with many twists and turns, and nothing is too big or too small to discuss. I have and always will strive to deliver quality service to each and every member with whom I speak.

Our firm takes pride in utilizing its legal knowledge and expertise to help achieve the goals of our members and to satisfy their needs. As Pre-Paid Legal members have invested in our firm, they can rely on me to bring a successful return by coordinating our resources and channeling efforts to maximize our potential.

TOP 5 MYTHS ABOUT BANKRUPTCY LAW

By: Shannon Kreshtool

Myth #1: Everyone will know you have filed for bankruptcy.

Though bankruptcy filing is a matter of public record, unless someone is specifically trying to research your background, most people are unlikely to find out. If you don't want everyone to know, you just need to keep the information to yourself. Unless you are a prominent person and the media is aware of the filing, it is likely that the only people who will know you have filed are your creditors and the people you tell.

Myth #2: I'll lose everything I have.

This is a complete misconception. Each state has exemptions that protect certain assets including household items, qualified retirement funds, clothing, and more. Most people go through their bankruptcy case and keep everything they have.

Myth #3: If you're married, both spouses have to file for bankruptcy.

It is fairly common for one spouse to have significantly more debt than the other. In that case, it may be advantageous for one person to file an individual bankruptcy. However, if there are debts that both parties are liable for, they should probably file together. The ultimate determining factors include amount of debt and assets individually, and as a couple.

Myth #4: Only irresponsible people and deadbeats file for bankruptcy.

Most people filing for bankruptcy do so only after struggling for months or years to pay their bills. Bankruptcy filing frequently follows a significant life-altering event, such as death of a spouse, serious illness, unemployment, or divorce.

Myth #5: Taxes cannot be discharged in bankruptcy.

Taxes owed to the State or Federal Government may or may not be dischargeable in bankruptcy. It depends on the year that the taxes became due, and whether or not the appropriate tax return has been filed. In many circumstances, old tax debts can be discharged. Speaking to a bankruptcy professional is the best way to determine this.



- * Service is a monologue: we decide on standards for service**
- * Hospitality is a dialogue: to listen to a customer's needs and meet them.**

It takes both great service and hospitality to be at the top.