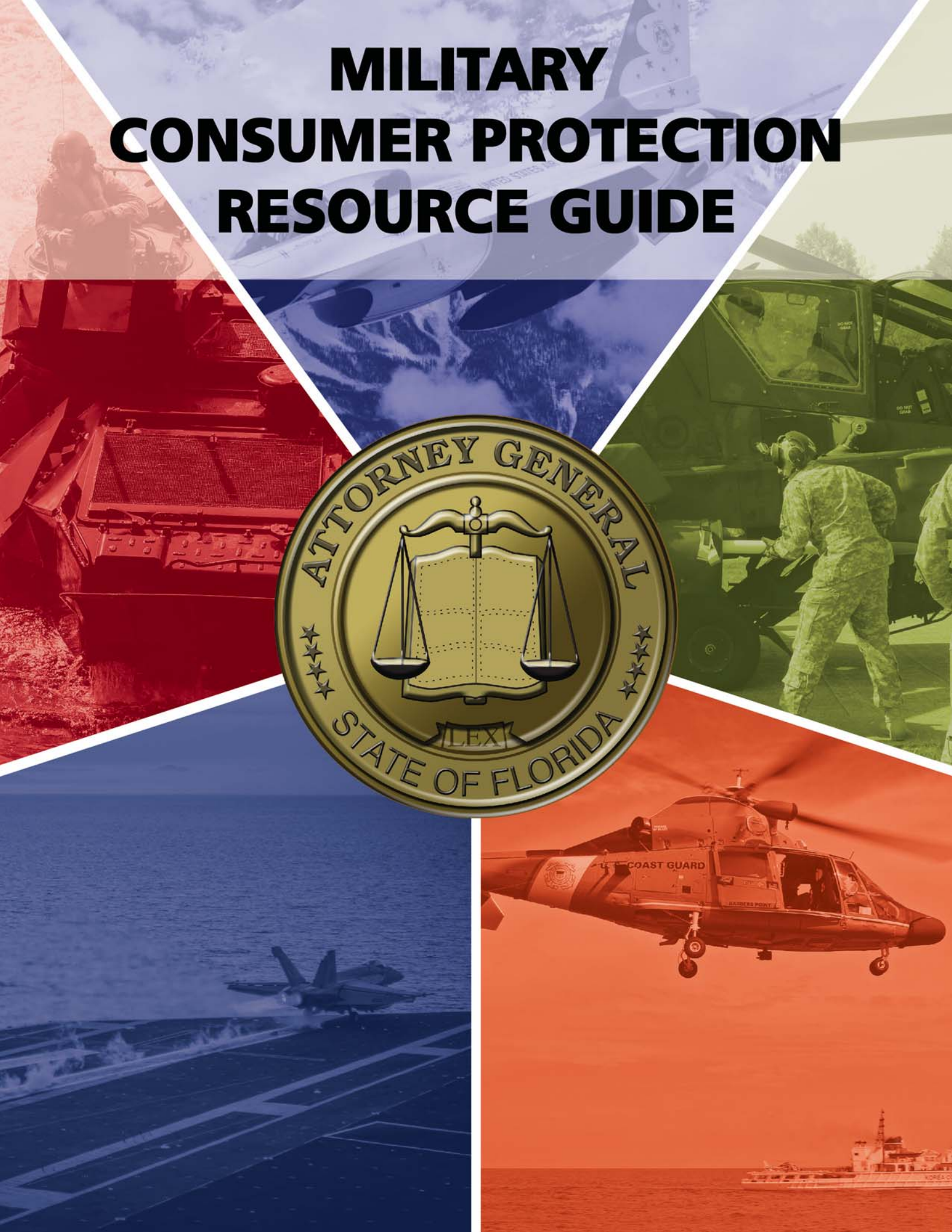
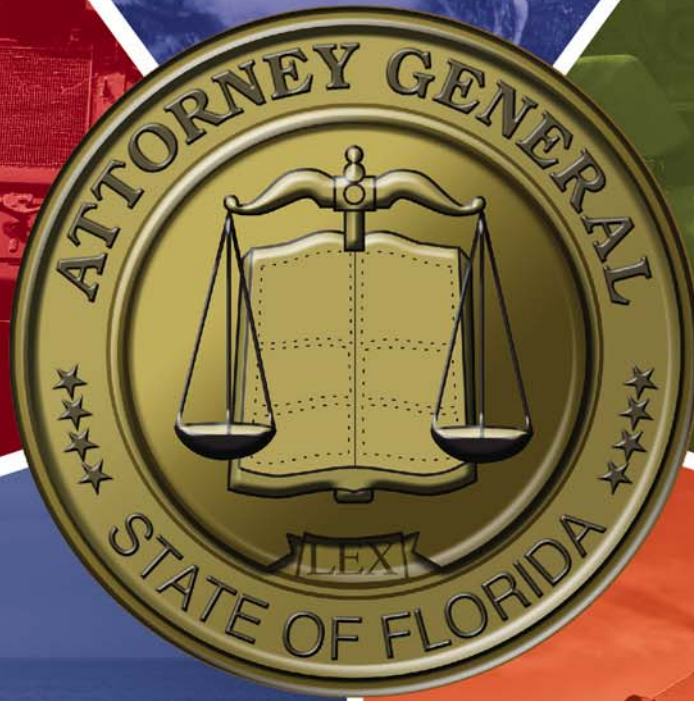


MILITARY CONSUMER PROTECTION RESOURCE GUIDE



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Dear Servicemembers and Veterans,

On behalf of the Florida Attorney General's Office, I would like to thank you and your family members for the sacrifices you have made to protect our freedoms and keep our nation safe. It is an absolute honor that more than 96,000 active and reserve members of the Armed Forces and more than 1.5 million veterans call the State of Florida their home.

Unfortunately, military members and their families are not immune to the deceptive practices and scams of unscrupulous businesses and individuals. There are laws both at the state and federal level, enforceable by the Attorney General's Office, that offer protections to servicemembers, veterans and their family members. My office has created this guide in an effort to help you familiarize yourself with the benefits available to you, as well as help you avoid becoming the victim of consumer fraud. The guide offers information on predatory lending practices, identity theft, debt collection, foreclosure fraud and much more.

My office works tirelessly to ensure that all military members, whether active duty, returning from deployment, guard and reserve members or veterans of the Armed Forces, are protected from unscrupulous businesses and individuals. You risk your life for our freedom, and my office will do everything possible to keep you and your family safe from unfair, deceptive and fraudulent practices at home. Thank you again for your service to our state and nation.

I encourage you to contact my office at **1-866-9-NO-SCAM** or online at www.MyFloridaLegal.com if you have any questions about this guide or if you have been the victim of unfair or deceptive practices.

Sincerely,

A handwritten signature in black ink that reads "Pam Bondi".

Pam Bondi
Florida Attorney General



Identity Theft

There are laws both at the state and federal level, enforceable by the Attorney General’s Office, that offer identity theft protections to servicemembers, veterans and their family members.

What Constitutes Identity Theft?

As defined by federal law, identity theft occurs when someone uses or attempts to use the private personal information of another person to commit fraud, typically for financial gain. Private personal information can include a person’s name, address, date of birth, Social Security number, driver’s license number, military ID number, credit card and bank account numbers, phone numbers and even biometric data like fingerprints and iris scans.

Signs Identity Theft Has Occurred

Red flags that indicate a consumer’s identity has been stolen include:

- Being denied access to credit;
- Finding suspicious charges on bank or credit card statements;
- Receiving a notice that private personal information has been compromised in a data breach;

- Becoming aware that someone has fraudulently forwarded the consumer’s mail or the consumer has stopped receiving credit card bills;
- Finding errors in a credit report, such as a loan or account not opened by the consumer;
- Encountering issues with medical insurance, such as a denial of coverage or bills for a treatment never received;
- Receiving a bill for products or services that were never ordered or never received;
- Being denied state or federal benefits because the consumer is listed as already having received them;
- Having a tax return rejected by the IRS because the refund has already been claimed or the reported income has not matched IRS records; or
- Receiving calls from a debt collector regarding a debt not owed.

“Military members and their families are not immune to the deceptive practices and scams of unscrupulous businesses and individuals.

My office has created this guide in an effort to help you familiarize yourself with the benefits available to you, as well as help you avoid becoming the victim of consumer fraud.

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-Florida Attorney General Pam Bondi



Steps To Take When Identity Theft Has Occurred

The following steps should be taken immediately after learning of an incident of identity theft:

STEP 1: Contact the police. File a report with law enforcement. Under Florida Statutes Section 817.568(18), consumers may file a report in the location where the theft occurred or in the city or county in which they reside. When filing, consumers should provide as much documentation as possible, including copies of debt collection letters, statements showing fraudulent charges, credit reports and any other evidence they may have. Request a copy of the police report; creditors and credit reporting agencies may ask to see it before removing the debts created by the identity theft from their records.

STEP 2: Report the incident to the fraud department of the three major credit bureaus. Consumers should contact the credit bureaus to place fraud alerts on their credit reports. This will prevent identity thieves from opening any more accounts in their names. Consumers should also order copies of their credit reports to determine whether there are additional fraudulent accounts listed in their names. Contact information for the three major credit bureaus is as follows:

Equifax

To report fraud: **1-800-525-6285**

To order a credit report: **1-800-685-1111**

TDD: **800-255-0056**

www.equifax.com

Experian

To report fraud: **1-888-397-3742**

To order a credit report: **1-888-397-3742**

TDD: **800-972-0322**

www.experian.com

TransUnion

To report fraud: **1-800-680-7289**

To order a credit report: **1-800-888-4213**

TDD: **877-553-7803**

www.transunion.com

STEP 3: Contact the fraud department of each creditor. Consumers should gather the contact information for each of their credit accounts (credit cards, retail credit accounts, utilities, cable and Internet providers, etc.) and call the fraud department for each.

Report the incident to each creditor, even if the account at that institution has not been affected. Consumers should close accounts that they believe have been compromised. Request the creditors place an alert on any accounts that remain open. Follow up in writing. The Federal Trade Commission (FTC) provides a standardized Identity Theft Affidavit. It is important to complete this form as some creditors will not begin an investigation or remove fraudulent activity from their records until they receive it. Check with each creditor to determine if it accepts this form; if not, request a copy of the creditor's fraud dispute form.



STEP 4: Contact banks or financial institutions. If consumers suspect their financial accounts have been compromised, they should close their checking and savings accounts. They should also ask that their banks issue not only new debit card numbers, but also new account numbers. Put stop payments on any suspicious outstanding checks. Consumers whose checks have been stolen should contact the major check verification companies and request they notify retailers not to accept their checks. These services allow businesses to determine whether a check is valid and can be reached at:

TeleCheck

1-800-710-9898

ChexSystems

1-800-428-9623

Consumers should also call Certegy Check Services, a check authorization service, at **1-800-262-7771** to determine whether any bad checks have been passed in their name.

Additional Actions Servicemembers Should Take Following Identity Theft

Servicemembers and veterans should take the following additional actions, as applicable, to repair and protect their credit:

- **Inform the commanding officer.** Servicemembers should promptly explain the situation to their commanding officer. Servicemembers may also want to seek assistance from their local military legal assistance office. Find a nearby office location that serves each branch of the military at:

<http://legalassistance.law.af.mil/content/locator.php>

- **Place an active duty alert with the three credit bureaus.** Under federal law, a deploying servicemember can place an “active duty alert” on his or her credit report at no cost. An active duty alert on a credit report means businesses must take extra steps before granting credit in the servicemember’s name. Active duty alerts last for one year and can be renewed to match the period of deployment. To place an active duty alert, servicemembers should contact each of the three nationwide credit reporting companies:

Equifax: **1-800-525-6285** or

www.equifax.com

Experian: **1-888-397-3742** or

www.experian.com

TransUnion: **1-800-680-7289** or

www.transunion.com

Other Actions To Take Following Identity Theft

- **File a complaint with state and federal authorities.** Consumers should file a complaint with the Florida Attorney General’s Office using the toll-free fraud hotline at **1-866-9-NO-SCAM** or visiting online at www.MyFloridaLegal.com. Consumers should also file a complaint with the FTC’s Identity Theft Clearinghouse. Complaint information filed with the FTC is entered into a central database, the Consumer Sentinel, which is accessed by local and state law enforcement agencies. Consumers may call the FTC’s toll-free hotline at **1-877-IDTHEFT** or complete an online complaint form at:

www.ftc.gov/complaint

- **Report a lost or stolen Social Security card to the Social Security Administration.** Consumers may determine whether someone else is using their Social Security number for work by creating an account and reviewing their Social Security work history at:

www.socialsecurity.gov/myaccount

Consumers may apply online for a free Social Security replacement card at:

www.ssa.gov/ssnumber

- **If passport fraud is suspected, report it to the U.S. Department of State.** Stolen passports should be reported to the federal Department of State at:

1-877-487-2778.

- **Place a flag on a Florida driver license.** Consumers with a Florida state license should flag their driver license with the Fraud Section of the Department of Highway Safety and Motor Vehicles. To reach the Fraud Section, consumers may email:

fraud@flhsmv.gov or call **850-617-2405.**

- **Check for fraudulent Florida criminal records.** In some instances of identity theft, a victim may be faced with a criminal record for a crime he or she did not commit. The Florida Department of Law Enforcement (FDLE) can provide a Compromised Identity Review to determine if any arrest records have been falsely associated with the victim as a result of someone using his or her identity. Those who believe their identities have been compromised should initiate a review by contacting FDLE at:

<http://www.fdle.state.fl.us/cms/Compromised-Identity-Services/CIS.aspx>



- **Remove personal identifiers from Florida court records.** Any person has the right to request the Clerk or County Recorder to redact/remove his or her Social Security number, bank account number or credit or debit card number from an image or copy of an Official Record that has been placed on the Clerk's County Recorder's publicly available website or in a court file. Consumers may contact the local County Clerk's Office to initiate a request. Check the State of Florida Clerk Directory for each county's contact information at:

www.flclerks.com

- **Report mail theft to the U.S. Postal Inspection Service.**



The U.S. Postal Inspection Service investigates incidents of stolen mail identity theft. Incidents should be reported to the U.S. Postal Inspection Service. Consumers may file a complaint online at:

<http://ehome.uspis.gov/mailtheft/idtheft.aspx>

Limits On Financial Loss Resulting From Identity Theft

Both federal and state laws limit an identity theft victim's financial losses. Under state law, no identity theft victim may be held liable for any unauthorized charges made on a credit card that is issued on an unsolicited basis.

Under federal law, the amount an identity theft victim must pay for unauthorized credit card charges is limited to \$50. If a victim reports the identity theft prior to unauthorized charges being made, the victim is not responsible for any charges. Under federal law, the amount an identity theft victim must pay for unauthorized charges made on an ATM or debit card varies based upon how quickly the loss is reported.

- If a victim reports the loss or theft of an ATM or debit card prior to unauthorized charges being made, the victim is not liable for any losses.
- If a victim reports the loss or theft within two business days of learning of it, the victim's maximum loss is \$50.
- If a victim reports the loss or theft more than two business days after learning of it, but fewer than 60 calendar days after receiving a bank statement, the victim's maximum loss is \$500.

- If a victim reports the loss or theft more than 60 calendar days after receiving a bank statement, the maximum loss is potentially unlimited.

If an unauthorized charge is made to a victim's bank account using the victim's debit card number but not the physical debit card, the victim is not responsible for the unauthorized charges as long as it is reported within 60 calendar days of receiving a bank statement on which the charges first appear.

Individual financial and credit institutions may waive a victim's responsibility for unauthorized charges as a benefit to their members and cardholders. Consumers should check the terms and conditions of their financial accounts to determine whether they will be held liable for any unauthorized charges.



Protect Confidential Information

Keeping personal information safe, both online and off, is a key facet of guarding against identity theft. Offline, consumers should take care to do the following:

- Read account statements each month to ensure there are no fraudulent charges.
- Lock documents and records in a safe place at home or in a safe deposit box at the bank. Keep personal information, credit and debit cards and checks secure from guests or workers who come into the home.
- Limit cards carried. Bring only the identification, credit and debit cards necessary. Consumers should not keep their Social Security card in their wallets.
- Write "Request Photo ID" on the signature line on the back of debit and credit cards.
- Consider photocopying the contents of your wallet and keep the copies in a safe or safety deposit box. This way if a consumer's wallet is stolen, he or she

can report exactly what information the thieves obtained and know which companies to contact about canceling cards and closing accounts.

- Before sharing personal information such as a Social Security number at the workplace, a business, a school or a doctor's office, consumers should ask why it is needed, how it will be secured and the consequences if not provided.



- Shred receipts, credit offers, credit applications, insurance forms, physician statements, checks, bank statements, expired charge cards and similar documents when they are no longer necessary.
- Destroy the labels on prescription bottles before throwing them out.
- Do not respond to emails, text messages or phone calls that ask for personal information. If a consumer believes the request could be a legitimate communication from a company with which he or she does business, they should contact the company at the phone number listed on their bill or account statement and inquire whether the communication is legitimate.
- Take outgoing mail to post office collection boxes or the post office. Promptly remove mail that arrives in the mailbox. Consumers should request a vacation hold on their mail and newspapers if they will not be home for several days.
- Consider opting out of prescreened and preapproved credit offers that are received by mail. Consumers may opt out permanently or for a period of 5 years and may opt back in at any time. To opt out, visit www.optoutprescreen.com.
- Check credit reports at least once a year.



When online, consumers should take care to do the following:

- When ordering something online, look to ensure that the browser has a secure connection. In the address bar, a padlock should appear if the browser is secure.
- Some credit card providers offer one-time card numbers to be used for online transactions to further protect consumer financial information. Consumers should contact their account holder to see if they have access to such a service.
- Never include personal or financial information in an email.
- Know that a financial institution will never email account holders a link for them to “confirm” their account number or “verify” their log-in details.
- Use strong passwords that include letters, numbers and special characters and cannot be easily guessed. Also, do not use a single password across multiple websites.
- Choose strong secret questions. Secret questions are often used to reset accounts if the user cannot remember his or her password. Do not use a secret question that can be easily guessed.
- Ignore pop-up windows that say the computer has a virus or is infected with malware.
- Do not use public wireless networks, such as those available in hotels or coffee shops, to perform financial transactions.



Under the Fair and Accurate Credit Transactions Act, an amendment to the federal Fair Credit Reporting Act passed in 2003, consumers are able to receive one free credit report per year from each of the nationwide credit reporting companies — Equifax, Experian and TransUnion. The free report can be requested and viewed online through the government-authorized website www.annualcreditreport.com.

While consumers may receive a credit report for free, reporting agencies often charge a fee should a person request their specific credit score.

For security reasons, access to www.annualcreditreport.com is restricted outside of the U.S. and its territories. Servicemembers stationed outside the U.S. or deployed overseas can call 1-877-322-8228 to request their credit reports.

- Install anti-virus and anti-spyware software on computers.
- Ensure a computer's operating system and web browser are up to date. Change settings so these updates are applied automatically.

Credit Report Basics

A credit report can be a crucial tool that allows consumers to know where they stand financially and can also indicate whether their identity has been stolen. A credit report includes information on where the consumer lives, how he or she pays their bills and whether they have been sued or filed for bankruptcy. A credit report and a credit score offer an indication of whether a consumer is a good financial risk for lenders. Businesses use the information in a credit report to evaluate applications for credit, insurance, employment and renting or buying a home.



Florida
**Office of the
Attorney General**



**PROTECTING
FLORIDIANS**

REPORT FRAUD

1-866-9-NO-SCAM

Visit MyFloridaLegal.com

Find Consumer Tips and File Complaints



Debt and Credit

While poor credit and excessive debt can be detrimental for all consumers, it can be especially damaging for military personnel. Poor credit and excessive debt can prevent servicemembers from obtaining or retaining security clearances and affect their personal readiness for military deployment.

Payday Lending

Whether they masquerade as payday loans, cash advance loans, check advance loans, post-dated check loans or deferred deposit loans, these seemingly harmless short-term, high-rate loans all come at a very high price.

How Payday Loans Work

A borrower writes a personal check payable to the lender for the amount the person wants to borrow,

plus the fee he or she must pay for borrowing. The company gives the borrower the amount of the check, minus the fee, and agrees to hold the check until the loan is due, usually the borrower's next payday. Or, with the borrower's permission, the company deposits the amount borrowed, minus the fee, into the borrower's checking account electronically. The loan amount is due to be debited the next payday. The borrower is charged new fees each time the same loan is extended or "rolled over."

Where Is The Harm?

A payday loan is very expensive credit. Consider a borrower who needs a loan of \$100 for two weeks. The borrower writes a personal check for \$115, with \$15 as the fee to borrow the money. The check casher or payday lender agrees to hold the check until the borrower's next payday. When that day comes, either the lender deposits the borrower's check for \$115, or the borrower rolls over the loan and is charged \$15 more to extend the financing for two more weeks. The cost of the initial \$100 loan is a \$15 finance charge and an annual percentage rate of 391 percent.



Loans For Military Members

Instead of seeking a payday loan, servicemembers may be able to obtain financial assistance from military aid societies, such as the Army Emergency Relief, Navy and Marine Corps Relief Society, Air Force Aid Society or Coast Guard Mutual Aid. Military consumers can explore their options at:

www.militaryonesource.com

Other Alternatives To Payday Loans

- **Consider a small loan from your bank, credit union or a small loan company.** Some banks may offer short-term loans for small amounts at competitive rates. A cash advance on a credit card may also be possible, but it will have a higher interest rate than other sources of funds. Find out the terms before making a decision.
- **Shop for the credit offer with the lowest cost.** Compare the interest rate, or APR, and the finance charge, which includes loan fees, interest and other credit costs. Consumers should look for the lowest APR. Military personnel have special protections against excessively high fees or rates.
- **Contact creditors or loan servicers as quickly as possible when struggling with payments.** Many may be willing to work with consumers who they believe are acting in good faith. They may offer an extension on bills or a lower interest rate. Consumers should find out if there are charges associated with anything creditors offer them, such as late fees or finance charges.

- **Contact a consumer credit counseling service for help working out a debt repayment plan or developing a budget.** Nonprofit groups offer credit guidance to consumers for no or low cost. Military personnel have access to financial counselors provided at no cost. For more information, visit www.militaryonesource.com.
- **Make a realistic budget. Include monthly and daily expenses and compare them to monthly income.** Consumers should take a look at all of their expenses to see where they can make cuts. Try to avoid unnecessary purchases. The costs of small items bought daily, like a cup of coffee or sodas can equal a significant cost per month. Consumers should also consider cutting their cable subscription and eating at home rather than dining out to free up additional funds each month.
- **Build up savings.** Even the smallest deposits add up over time. A savings plan, however modest, can help consumers avoid taking out a payday loan if an unexpected bill pops up.

Rent-To-Own Stores

Servicemembers are expected to pack up and move or deploy at a moment's notice. This being the case, they often find themselves in a new location without basic furniture and appliances to furnish their new home. For this reason, rent-to-own stores are often located near military installations.

While rent-to-own stores may be a viable option depending upon a servicemember's needs and his or her ability to pay, it is important to understand how rent-to-own contracts work and to be aware of possible less costly alternatives that may be available depending upon the circumstances.



How The Rent-To-Own Industry Operates

Rent-to-own stores enter into an agreement with a consumer that allows the consumer to rent furniture, appliances and electronics for a set period of time. The rental can be renewed by the consumer each time the contract ends. In some of these contracts, the consumer has the opportunity to purchase the rental outright by continuing to pay the fee for a period of time or by providing a lump-sum payment. However, sometimes these agreements come at a steep price.

Take for example a \$600 laptop rented for \$40 a week for 48 weeks. The total cost of the rental is \$1,920, excluding sales tax and other fees. The same laptop could be bought three times over for less than the total rent-to-own price. The interest rate for this type of financing is 320 percent in this instance.

Less Costly Alternatives To Rent-To-Own Contracts

- **Save up for the purchase.** A consumer would only need to save \$40 a week for 15 weeks to purchase the laptop mentioned in the prior example. By waiting four months to purchase the product with cash, the consumer would save more than \$1,300.
- **Consider a loan from a bank or credit union.** Some banks may offer short-term loans for small amounts at competitive rates.
- **Seek other financing methods.** Should a consumer be unable to postpone the purchase, using a credit card is still a less costly alternative. Using the same \$600 laptop as before, with a 36 percent interest rate (the highest allowed by law), the total cost is \$816, a savings of more than \$1,100. By paying the same \$40 per week, the laptop would be paid off in 21 weeks. However, the key to saving with this line of financing is to continue to pay the \$40 a week, rather than the minimum due on the credit card statement. Just paying the minimum will only extend the length of the financing, increasing the amount of interest accrued, therefore increasing the total cost.

How Florida Law Governs Rent-To-Own Contracts

In Florida, rent-to-own contracts must provide the following:

- The name and business address of the retailer;
- The consumer's name and address;
- A description of the property that details whether the property is new or previously leased;
- The total amount of the initial payment, including advance payments, any delivery charges and trade-in allowances;
- The amount of each rental payment to be paid and its due date;
- An itemization of any charges or fees not included in the rental payments;
- The total amount the consumer will pay to purchase the property, including all rental payments, advance payments and fees and charges;
- The consumer's responsibility for loss or damage to the property;
- The consumer's right to reinstate the agreement if he or she falls behind on payments, including any fees or penalties;
- Which party is responsible for routine maintenance, if any;
- When and under what circumstances the consumer may terminate the contract; and
- The actual cash price of the property if the consumer were to purchase it rather than rent it.



Under Florida law, the following terms are prohibited in rent-to-own contracts:

- A requirement that the consumer agrees to wage garnishment, stipulates to a judgment or grants the retailer power of attorney;
- An agreement that allows the retailer to enter the consumer's property or breach the peace to recover or repossess the rental items if the consumer fails to pay;
- A requirement that the consumer waive any legal defenses, counterclaims or rights to sue; or
- A requirement that the consumer purchase insurance from the retailer (consumers can be required to purchase insurance but cannot be required to purchase it from the retailer).

Collections

The federal Fair Debt Collections Practices Act¹ governs the practices of "collection agencies," which are businesses that collect debts for other businesses. These laws do not apply to businesses trying to collect on their own accounts that are past due, but rather to third party debt collection agencies to which the debt may have been referred or sold by a business for collection. The State of Florida has also enacted an additional law known as the Florida Consumer Collection Practices Act² intended to supplement the federal Fair Debt Collection Practices Act. It offers even greater protections for Florida consumers.

Protections Under State And Federal Law

When attempting to collect on a debt, collectors must:

- Identify themselves when they call, including the name of the collection company as well as the name of the company for whom the debt is being collected;
- Send a letter to the consumer's home address within five days of the call identifying the collection company, the company for whom the debt is being collected and the amount of the debt allegedly owed;
- Inform consumers that they have the right to dispute the debt and have 30 days to demand that the collection company provide proof of the debt allegedly owed; and
- Once the consumer has demanded the debt be validated, stop all attempts to collect upon the debt until verification of the debt has been provided to the consumer.

A debt collector may not do any of the following:

- Call before 8 a.m. or after 9 p.m. in the time zone where the consumer is located, unless the consumer has specifically requested them to do so;
- Call the consumer an unreasonable number of times in one day;
- Call the consumer's workplace if the consumer has told the collector not to do so;
- Inform or threaten to inform people other than the consumer, such as the consumer's spouse, supervisor or attorney, that the debt is owed;
- Use profane or abusive language when speaking with the consumer;
- Mail a consumer documents with embarrassing words or phrases on a postcard or envelope;
- Refuse to provide the consumer with information, including the collector's name, the name of the collection company or the collection company's contact information;
- Misrepresent how much the consumer owes;
- Threaten to arrest or criminally prosecute the consumer because of this debt;
- Threaten to garnish the consumer's wages or seize the consumer's property;
- Send a consumer communications designed to look like a government or attorney-provided document;
- Communicate directly with a consumer when they know the consumer is being represented by an attorney;
- Send false information to credit reporting bureaus; or
- Add arbitrary fees, unless the consumer agreed to pay such fees in the contract with the original creditor.

A debt collector may do the following in an attempt to collect on a debt:

- Contact a consumer in person or by mail, email, telephone or fax;
- Contact a consumer's family member, friend, supervisor or attorney once in order to obtain the consumer's contact information; and
- Call at reasonable hours or times the consumer has explicitly stated would be acceptable.

¹ 15 U.S.C. Sections 1692 –1692p

² Florida Statutes Ch. 559, Sections 559.55-559.785

If a consumer believes a caller may be a fake debt collector, he or she should take the following steps:



- Ask the caller for his or her name, the name of the collection company, the caller's contact information and the company to whom the debt is owed.
- Tell the caller that they will not discuss the debt until they receive a validation notice by mail. If the caller refuses to provide this information, he or she is either an imposter or a debt collector acting illegally.

- If consumers have the caller's address, they should send a letter demanding the collector stop contacting them. By law, legitimate debt collectors may not contact consumers after receiving a written request that the calls stop. Once they receive such a request, debt collectors may only contact the consumer to inform them that they intend to take some action regarding the debt, such as file a lawsuit or charge off the debt.

Imposter Debt Collection

Imposter scams are on the rise generally, but an imposter scam currently affecting consumers nationwide is imposter debt collection. With this scam, the consumer receives a phone call from a person trying to collect on a debt that the consumer never incurred or a debt that has already been paid off. Or, a consumer receives a call from a person collecting on a valid debt without the authorization or knowledge of the consumer's creditor.

A caller may be an imposter debt collector if he does the following:

- Seeks payment for a debt or loan the consumer does not recognize or has already paid in full;
- Refuses to provide a mailing address or phone number for the debt collection company from which they are calling;
- Asks consumers for personal financial or sensitive information;
- Asks for payment via prepaid debit card; or
- Exerts high pressure or threatens consumers if they do not pay.

- Never provide the caller with personal financial or sensitive information. Do not give out or confirm information such as bank account, credit card or Social Security numbers.
- Contact the original creditor of their debt to determine whether the business has authorized a collection company to collect on the debt.
- Keep a record of any interaction with a debt collector. Note the names of the people spoken with, dates and times of calls and any pertinent information presented in the call. Consumers will find this information handy should they need to file a complaint or dispute the collection of a debt.

If a consumer believes a debt collector has violated his or her rights under the Fair Debt Collections Practices Act or that he or she has been contacted by an imposter debt collector, the consumer may file a complaint online with the Florida Attorney General's Office at:

www.MyFloridaLegal.com as well as the U.S. Consumer Financial Protection Bureau at:

www.consumerfinance.gov/complaint

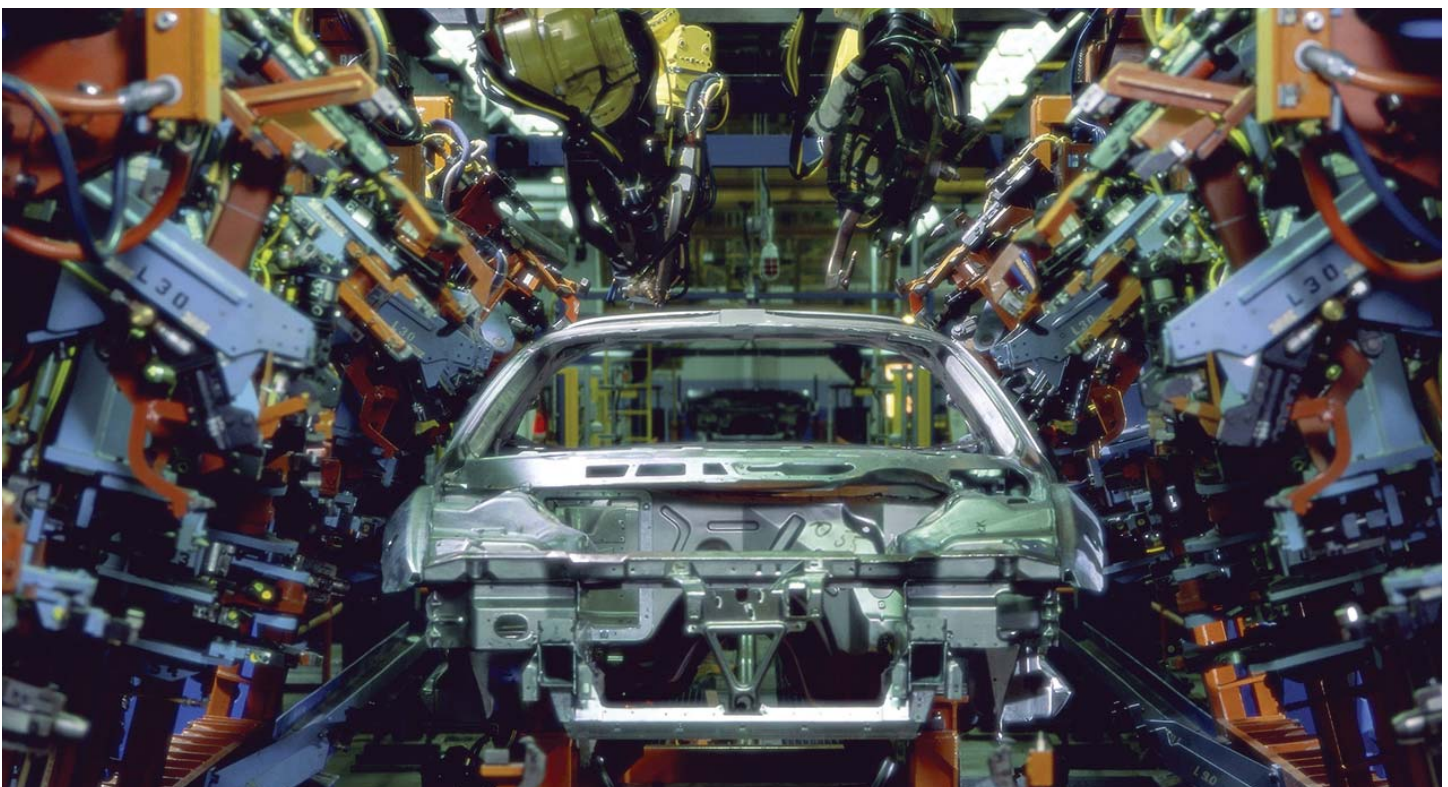
Automobiles

In February of 2010, then-Undersecretary of Defense for Personnel and Readiness Clifford Stanley reported to the U.S. Treasury Department that 75 percent of military financial counselors had provided advice to servicemembers on issues related to abusive auto financing.

Buying A New Car

Before buying a new car, it is important that consumers identify their automotive needs and their budget. The more preparation, the less stressful and confusing the car-buying process can be. It is also important that consumers remember that they have the right to shop and compare financing and warranty options. Consider these suggestions:

- Check publications and websites that discuss new car features and prices.
- Find out what the dealership paid for the car at websites such as www.fightingchance.com (all cars may not be listed).
- Shop around to get the best possible price by comparing models and prices in ads and at dealer showrooms.
- Do not assume the dealership will have the best financing options. Check with local banks and credit unions to compare auto loan rates.
- Know it is harder for the dealership to add in extra costs and fees if the only negotiating point is the purchase price, so it can really pay to get financing through a bank or credit union rather than the dealership.
- Sometimes, dealers offer very low financing rates for specific cars or models, but may not be willing to negotiate on the price of these cars or may require a large down payment for a buyer to qualify.
- Plan to negotiate on price – but negotiate the total purchase price, not the monthly payment. The monthly payment can include unwanted extras.
- Consider custom ordering a new car. Consumers who do not see what they want on the dealer's lot may order a vehicle that meets their exact specifications. This may involve a delay, but cars on the lot may have unwanted options. However, dealers also often want to sell their current inventory quickly, so consumers may be able to negotiate a good deal if an in-stock car meets their needs.



Trading In An Old Car

Discuss the possibility of a trade-in only after negotiating the best possible price for the new car and after researching the value of the old car. Consumers should check the National Automobile Dealers Association's (NADA) Guides, Edmunds and Kelley Blue Book. This information may help buyers get a better price from the dealer. Though it may take longer, consumers generally get more money in a private sale rather than trading in their old vehicle.



Considering A Service Contract

Service contracts provide for the repair of certain parts or problems. These contracts may or may not provide coverage beyond the manufacturer's warranty. Before deciding to purchase a service contract, read it carefully and consider the following:

- What's the difference between the coverage under the warranty and the coverage under the service contract?
- What repairs are covered?
- Is routine maintenance covered?
- Who pays for the labor and parts?
- Who performs the repairs?
- Can repairs be made elsewhere?
- How long does the service contract last?
- What are the cancellation and refund policies?

Florida Lemon Law

The state's Lemon Law covers defects or conditions that substantially impair the use, value or safety of a new vehicle. These defects, called nonconformities, must be first reported to the manufacturer or its authorized service agent (usually the dealer) during the "Lemon Law Rights Period," which is the first 24 months after the date of delivery of the vehicle to the consumer. If the manufacturer fails to conform the vehicle to the warranty after a reasonable number of attempts to repair these defects, the law requires the manufacturer buy back the defective vehicle and give the consumer a purchase price refund or a replacement vehicle. The law does not cover defects that result from accident, neglect, abuse, modification or alteration by persons other than the manufacturer or its authorized service agent.

Consumers should keep records of all repairs and maintenance and keep all receipts or invoices for payment of expenses related to the purchase or lease of the vehicle and any repair.

Florida consumers may call the Lemon Law Hotline at **1-800-321-5366** for more information and for help navigating the process of reporting a lemon.



Buying A Used Car

Whether buying a used car from a dealer or an individual, consumers should consider the following during their search:

- Examine the car using an inspection checklist. Consumers can find checklists online.
- Test drive the car under varied road conditions on hills, highways and in stop-and-go traffic.
- Ask for the car's maintenance record from the owner or dealer.
- Hire an independent mechanic to inspect the car.
- Determine the value of the vehicle before negotiating the purchase price. Check the National Automobile Dealers Association's (NADA) Guides, Edmunds and Kelley Blue Book.
- Research the frequency of repair and maintenance costs on the models under consideration. The National Highway Transportation's Safety Administration offers information on recalls at: www.nhtsa.gov.
- Check the Department of Justice's National Motor Vehicle Title Information System (NMVTIS) for information about a vehicle's title, odometer data and certain damage history using the vehicle's VIN. Expect to pay a fee for each report.

Buyer's Guide

The Federal Trade Commission's (FTC) Used Car Rule requires dealers to post a Buyer's Guide in every used car they offer for sale. Buyer's Guides do not have to be posted on motorcycles and most recreational vehicles. The Buyer's Guide must include the following information:

- Whether the vehicle is being sold "as is" or with a warranty;
- What percentage of the repair costs a dealer will pay under the warranty, if any;
- A note that oral promises are difficult to enforce and promises should be made in writing;
- A note to keep the Buyers Guide for reference after the sale;
- A description of the major mechanical and electrical systems on the car, including any major problems; and
- A suggestion that the buyer have the car inspected by an independent mechanic before purchasing it.

The Buyer's Guide becomes part of the sales contract and overrides any contrary provisions. For example, if the Buyer's Guide says the car comes with a warranty but the contract says the car is sold "as is," the dealer must provide the warranty detailed in the Guide.



Warranties

Most new vehicles and some used vehicles come with warranties, including the following:

- **Implied warranties:** State laws hold dealers responsible if cars they sell do not meet reasonable standards. These obligations are called implied warranties. However, dealers can use the words “as is” or “with all faults” in a written notice to buyers to eliminate implied warranties.
- **“As Is” - No Warranty:** When the dealer offers a vehicle “as is,” the box next to the “As Is - No Warranty” disclosure on the Buyer’s Guide must be checked. If the box is checked but the dealer promises to repair the vehicle or cancel the sale if the buyer is not satisfied, make sure the promise is written on the Buyer’s Guide.
- **Warranty of fitness for a particular purpose:** A warranty of fitness for a particular purpose applies when the buyer purchases a specific vehicle based on the dealer’s advice that it is suitable for a particular use. For example, a dealer who suggests a buyer choose a specific vehicle for hauling a trailer is promising that the vehicle will be suitable for that purpose.
- **Warranty of merchantability:** The most common type of implied warranty is the warranty of merchantability. The seller promises that the product offered for sale will do what it’s supposed to do. This promise applies to the basic functions of a car. Breakdowns and other problems after the

sale do not prove the seller breached the warranty of merchantability. A breach occurs only if the buyer can prove that a defect existed at the time of sale.

- **Unexpired manufacturer’s warranties:** If the manufacturer’s warranty still is in effect, the dealer may note that in the “systems covered/duration” section of the Buyer’s Guide. To make sure they can take advantage of the coverage, consumers should ask the dealer for the car’s warranty documents. Verify the information (what’s covered, expiration date/miles and necessary paperwork) by calling the manufacturer and have the VIN handy when calling.

Buyers should make sure to get a copy of the dealer’s warranty document if they buy a car that is offered with a warranty.

Independent Inspections

It’s best to have any used car inspected by an independent mechanic before purchasing it. The inspection will give a general indication of the mechanical condition of the vehicle. There are no standard operating procedures for pre-purchase inspections. Ask what the inspection includes, how long it takes and how much it costs. Get this information in writing. Once the vehicle has been inspected, ask the mechanic for a written report with a cost estimate for all necessary repairs. Be sure the report includes the vehicle’s make, model and VIN. Use the estimated repair costs to negotiate the price of the vehicle.

Private Sales

Buying a car from a private individual is different from buying from a dealer. Private sellers generally are not covered by the FTC Used Car Rule and do not have to use the Buyer's Guide. Private sales usually are not covered by the "implied warranties" of state law. That means a private sale will likely be on an "as is" basis. The car also may be covered by a manufacturer's warranty or a separately purchased service contract. However, warranties and service contracts may not be transferable, and other limits or costs may apply.

Common Car Scams

Military personnel are often young and isolated from their families. However, they earn a regular paycheck backed by the U.S. government, making them prime targets for deceptive sales practices and financial scams.

"Yo-Yo" Car Sales: This scam is a type of bait-and-switch. A buyer finds a car on the lot, signs a financing agreement and drives away in a newly-bought vehicle. Days later, the dealer calls the buyer to say that his or her credit was rejected and in order to keep the car, the buyer needs to pay a larger down payment or agree to a higher interest rate. If the buyer had a trade-in, the dealer often claims the trade-in has already been sold, leaving the buyer to either be left without a vehicle or pay more to keep the new one.

Buy Here/Pay Here Car Dealers: These used car dealers typically sell poor quality used cars and often require large down payments that are equal to the car's true value. They offer financing for the balance owed and require the buyer to pay them directly. The car eventually breaks down and the buyer quits making payments. The dealer then has the car repossessed and sells it to another unsuspecting consumer.

Loan Packing: Unscrupulous car dealers may include additional products or services in the financing paperwork without the knowledge or consent of the purchaser. Watch out for extras like extended warranties, gap insurance, tire protection, upholstery protection and other unnecessary products. Items that are typical for every car purchase include tax, title, license and registration fees.

Deceptive Advertisements: Watch for advertising that may not provide all the details. Advertisements offering high amounts for trade-in vehicles are often not applicable unless the buyer agrees to purchase a new vehicle at sticker price, often substantially more than if the deal had been negotiated. Other advertisements tout low interest rates, but to qualify, buyers must make large down payments or agree to higher car prices.





Housing

There are many options to consider when seeking off-base housing as well as many scams to avoid.

VA Home Loans

The Department of Veterans Affairs helps servicemembers, veterans and eligible surviving spouses become homeowners. The VA provides home loan guarantees and offers other housing-related programs to help servicemembers buy, build, repair or adapt a home for their personal occupancy. These VA home loans are provided by private lenders like traditional mortgages, however, a portion of the loan is guaranteed by the VA, so servicemembers are offered more favorable terms on their mortgages. Find more information and check eligibility at www.benefits.va.gov/homeloans.

Housing Provisions Under The Servicemembers Civil Relief Act

Eviction protection: The Servicemembers Civil Relief Act (SCRA) protects active duty servicemembers and their dependents from being evicted without a court order. To qualify for this protection:

- The home must be occupied or intended as a primary residence, and
- The monthly rent must be below the current rent ceiling (\$3,329.84 in 2015, adjusted annually for inflation).

- If an eviction action is filed, the SCRA gives servicemembers or their dependents the right to ask the court for a temporary stay of the proceedings for three months. Alternatively, the court may adjust the amount of the financial obligation to preserve the interests of all parties.

Residential lease termination: The SCRA allows active duty servicemembers to terminate a residential lease if:

- The lease was entered into prior to active duty, when the servicemember is called to active duty for 180 days or more, or
- The lease was entered into during active duty, when the servicemember receives orders for a Permanent Change of Station or to deploy with a military unit for more than 90 days.

Foreclosure protection: The SCRA requires that, if a servicemember obtained a mortgage prior to active duty, a mortgage lender must get a court order before it can foreclose on that servicemember's home during any period of military service and for one year thereafter. If a lender seeks such a court order, the court may temporarily stay the proceedings or adjust the amount of the servicemember's financial obligation when it can be shown that military service impacted the servicemember's ability to meet the obligation.

Foreclosure-Related Issues

A common foreclosure-related scam is the mortgage “rescue” scam. In this scheme, mortgage “rescue” firms claim to be able to assist with obtaining a modified mortgage so homeowners can avoid foreclosure. Unscrupulous “rescue” firms charge exorbitant fees while promising mortgage relief that never comes. Under Florida law, a “rescue” firm or mortgage broker may never charge consumers up front for their services.³ Brokers may only charge consumers after they receive and accept a written offer for a loan or refinance contract.

While some mortgage brokers offer legitimate services to assist consumers in avoiding foreclosure through loan modification or other means, servicemembers should first contact the bank that holds their mortgage. The lender’s loss mitigation specialist can often, at no charge, present options that are available.

There are also HUD-certified housing counselors throughout Florida, as well as nationwide, who may be able to offer advice and assistance. Consumers can find a HUD counselor in their area at www.hud.gov or can call their toll-free HOPE hotline at 888-995-HOPE.



Servicemembers should also seek counsel from their local military legal assistance offices where they reside. Office locations can be found at: <http://legalassistance.law.af.mil/content/locator.php>.

Should servicemembers seek counsel outside their legal assistance office, they should verify their attorney is in good standing with no disciplinary record by checking with The Florida Bar at www.floridabar.org.

Servicemembers requiring outside resources to avoid foreclosure should seek out a licensed mortgage broker or an attorney. Consumers can verify a mortgage broker’s license on the Office of Financial Regulation’s website at www.flofr.com.

Home Rental Scams

Because servicemembers are often required to move around the country, they are susceptible to rental scams when seeking off-base housing. Scammers may post fake ads on rental sites or hijack the information and photos from a legitimate ad and swap in their own contact information. Servicemembers should have their leases reviewed by the local military legal assistance office before signing anything.

Servicemembers should also consider the following when searching for a home rental:

- **Consider using a real estate or rental agent.** They can look at properties on the servicemember’s behalf and provide objective feedback on a rental.
- **Do not rely solely on email to contact the owner.** Be wary of someone using a foreign number or who is unresponsive to the phone calls.
- **If it sounds too good to be true, it probably is.** Home rentals priced far below the market rate may be scammers looking to defraud as many people as possible.
- **Investigate the property.** If possible, visit the property before signing a lease or paying a deposit or have someone in the area do so. Google the street address given to ensure that the address exists. Try using Google’s Earth and Street View options to view the property.
- **Ask for references.** Look for reviews of the property or the property manager on the real estate listing website.
- **Ask for additional photos.** The legitimate owner or property manager can produce these with little difficulty, while a scammer would be unlikely to have access to additional photos.

³Florida Statutes Ch. 494, Sections 494.00312-494.0043



Charities

Numerous legitimate charities support members of the Armed Forces as well as veterans; however, unscrupulous “charity” operators look to cash in on the financial support offered to servicemembers and their families.

Signs Of A Charity Scam

There are often warning signs that indicate that a charity is not legitimate. Red flags that consumers should look out for include:

- The charity or solicitor refuses to provide detailed information about the charity’s mission, fundraising costs and use of donations;
- The solicitor uses high-pressure or guilt tactics to get donations;
- The solicitor requests donations be made in cash, via prepaid debit card or be wired to a particular account;
- The charity has sent an unsolicited email encouraging recipients to enter credit card or bank account information to donate;
- The solicitor offers to send a courier to collect the donation immediately; or
- The charity’s name closely resembles that of a large, well-known and highly regarded charity.

Check A Charity’s Legitimacy

To determine if a charity is legitimate, first check to see if it is a registered charity with the state Department of Agriculture and Consumers Services. Consumers may check the Gift Giver’s Guide to determine whether a charity is registered, the charity’s revenue and what percentage of their revenue goes to providing actual services at www.800helpfla.com.

Consumers should also check with the Internal Revenue Service to see if the tax-exempt organization filed an annual return with the IRS. The IRS requires automatic revocation of a charity’s tax-exempt status if it fails to file a return for three consecutive years. To learn more, go to www.IRS.gov and search the Charities and Non-Profits topics.

Consumers may also contact the Better Business Bureau’s Wise Giving Alliance at www.give.org or (703) 276-0100 to determine whether the charity under consideration has complaints against it.



Other Scams

There are additional scams that often target military members and their families.

Affiliation Scams

In various affiliation scams, disreputable companies target military personnel and their families by using deceptive language and photos to imply that they are affiliated with or endorsed by a particular branch of the U.S. Armed Forces or the U.S. Department of Defense. Servicemembers, veterans and their families should consider checking with their military branch to determine whether the company is endorsed. Also check with the Better Business Bureau at

www.bbb.org to determine whether the business has complaints against them.

Military Newspapers

Similar to affiliation scams, some companies advertise in military-targeted newspapers such as ArmyTimes, NavyTimes, Air Force Times and similar publications in order to prey on the perception that these newspapers, and the ads within, are endorsed by the U.S. Armed Forces. While these newspapers are legitimate, the ads within are not reviewed by any military official and can be bought by any individual.

“Phishing” Schemes

These types of phony messages mimic official entities in order to gain access to a victim’s personal and financial information. While “phishing” schemes threaten all consumers, particular ones target servicemembers, veterans and military spouses by sending unsolicited emails or text messages that appear to be from a military branch or the Department of Veterans Affairs. Recipients of these emails should always check with the source to verify the authenticity of the email or text.

Charging For Military Records

Some scammers con veterans and their families into purchasing their military records, either to simply pocket a fee or to gain access to personal and financial records. Veterans, as well as their next-of-kin, may receive a free copy of their military records from the U.S. National Archives and Records Administration. For more information on acquiring free copies of military records, visit www.archives.gov.



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