

# The Alert

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## Buy Now, Pay Later May Not Be the Best Deal

“No payment for two years and no finance charges.”

in six months or two years or whatever time the offer says.

“Six months same as cash.”

Are these as good deals as they sound? They are good deals only if you pay them off before the time is up for paying.

“Zero percent interest.”

"No payment on merchandise until next year."

That’s what the advertisements say. Some offers are from merchants. Some come from credit card companies.

The offers may require a minimum payment each month or only that you pay off the bill

They are not such great deals if you wait until one day after the time limit to pay off the “loan.”

A “loan” is what you get when you sign up to pay something off later.

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## *Golden Buckeye Cards Delayed*

**If you didn’t get the new Golden Buckeye Card the State of Ohio promised to send out in January, you are not alone.**

**The Golden Buckeye Program which was supposed to provide a discount on prescription drugs for some seniors has been put on hold. It has been delayed because some drug companies have refused to be part of the state’s planned discount program.**

**When the discount program might begin was still uncertain at this writing.**

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THE ALERT IS THE NEWSLETTER OF  
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### **Buy Now Pay Later, May Not be Best Deal.....**

If you pay up even a day later than the offer said, you will be charged not only the cost of the purchase but finance charges from the day you bought the item.

You'll also have to pay interest from the day of purchase even if you have made the required payments all along, but missed the date for the last payment.

The credit or the loan

likely will be sold to another company and that company figures on making a profit because some people will not pay in time. The profit comes from the interest those people will have to pay.

If you take advantage of a deal to pay in the future, **be sure that you read and understand the agreement** you will be asked to sign.

**And** be sure to do what

it says you have to do—that is pay by a certain time. In fact, it's best to pay at least a month early.

Unless you are sure that you will have the money to pay the charges off on time or to make required payments **and** that you will remember to make the payment or payments when due, it may be best to stay away from what looks like a good deal.

That "good deal" can easily turn into a bad deal.

## **"Bounce Protection" for Checks Adds up to "High-Cost Credit"**

Banks are encouraging low and moderate income customers to use "bounce protection."

It encourages them to overdraw their checking accounts by writing checks for more money than they have in the bank.

The checks aren't bounced, but the banks charge the usual bounced check fee.

"Overdraft protection products are a deliberate, systemic attempt to hook

consumers onto overdrafts as a form of high cost credit," according to the National Consumer Law Center.

"There is no question that these products are loans at outrageously high prices," the Center says.

Bounced check fees range from \$20 to \$35 for each transaction that overdraws an account. Some banks also charge a per day fee of \$2 to \$5 until the account has a positive balance.

In addition to writing checks, customers can overdraw their accounts by using their debit cards and by making ATM withdrawals.

The Center noted that "bounce protection" is extremely costly. A \$100 advance for 30 days would typically carry at least a 243% annual percentage interest rate. For 14 days, it would be 541%. Even rates as high as 1000% have been charged.

# Spring Sprouts Shady Contractors

Be on the lookout for those shady contractors who will pop up this Spring just like the daffodils. They focus on seniors whom they consider easy prey.

They may appear at your door with a "great" deal because they just happen to be working in your neighborhood.

Or maybe they will tell you they just happened to notice that your roof needs work or that they smelled gas when they walked by your home.

Whatever the story, it is sure to be good and be designed to scare you a little.

The offer they make is likely to be too good to be true. If it is, slam the door shut.

It almost always is a bad idea to deal with contractors who solicit door to door.

A far better way to proceed is to ask neighbors and friends about contractors who have done satisfactory work for them.

Even then you may want to check out the contractor with the Better Business Bureau and your city

building department. Find out if the contractor is licensed and bonded by your city.

Make sure whoever you are dealing with has a permanent place of business.

Get a written proposal that spells out everything the contractor plans to do, including the materials he plans to use and the cost for each item.

Once you get that, interview two other contractors. Get proposals from them on exactly the same items the first contractor spelled out.

After you choose a contractor, make sure that everything you talked about is spelled out in the contract. That should include the work to be done, the materials to be used, the cost for each item and for the labor, when each payment is due, the warranties and guarantees and the date when the work will be completed.

The contract also must include the date, name, address and phone number of the contractor and must be signed by the contractor. If you aren't sure about the contract, ask a friend you trust to check it out before you sign it.

In most cases, the contract also should contain language above your signature about your right to cancel within three business days of signing.

Once you have a contract, it is time to think about financing the project.

It is best to secure your own financing.

Here, the first step should be to go to your city hall or county offices to find out what is available in low or no-interest loans.

There are a variety of programs available in the City of Cleveland to assist with financing of repairs, including Senior Housing Assistance (216-664-2833) Repair-A-Home (216-664-2045; Cleveland Action to Support Housing (216-621-7350); Neighborhood Housing Services (216-348-8325); Home Weatherization Assistance (216-664-4116).

For information about Cuyahoga County low-interest repair loan programs in all but five suburbs, phone 216-443-7260 and 216-443-2149. In other areas, phone your city hall or county offices.

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**Shady Contractors....**

The programs have different requirements. Some are operated by the government and others by non-profit organizations. Phone to see if you qualify.

If you are handling your own financing, there are a number of things to keep in mind.

If you have a mortgage on your home, we suggest you consider a second mortgage or a home improvement loan—both of which will leave your original mortgage in tact.

Only consider refinancing your old mortgage if it will result in lower payments and lower interest rates for the **full term of the loan with no balloon payment at the end.**

Above all, you should never get a new mortgage if you already have a no-interest or low-interest mortgage. If you get a new mortgage, you will lose the benefit of the no or low-interest loan.

If you fall for the television advertisements that tell you to consolidate all of your debts, you could end up with a high-cost mortgage you cannot afford and end up losing your home. Don't allow anyone to talk

you into using your home to borrow money that you don't really need or money that you can borrow on your own at far better rates.

**Consult with an attorney, a counselor or someone you trust before you make any decisions on a loan.**

## Homestead Tax Lost for a Time

An estimated 1000 Cuyahoga County taxpayers temporarily lost their homestead tax exemptions this winter.

When the computer error was caught, most if not all taxpayers received new tax bills that corrected the error.

If your bill was incorrect and you didn't get a corrected bill, call the Auditor's Office at 216-443-7050.

If you got a corrected bill but had already paid the wrong amount, you can get a refund of the overpayment by calling the Treasurer's Taxpayer Liaison Office at 216-443-7422. If you do nothing, you should be credited with the overpayment in your next tax bill.

## Save Money on Phone Bill

Persons with low incomes may qualify for the new Lifeline Ohio Telephone program which can save almost \$150 on phone bills.

To qualify, recipients must participate in one of the following programs:

Food stamps, public housing and/or Section 8 housing, Home Energy Assistance Programs (HEAP, E-HEAP or LIHEAP), general assistance, including disability assistance, Medicaid or state-provided medical assistance, Ohio Energy Credit Program (OEC), Ohio Works First (formerly AFDC) or Supplemental Security Income (SSI or SSDI). Your household income must be at or below 150% of the federal poverty level. For one person that is \$1122.50 or less per month. For a two-person household the income limit is \$1515 per month.

Participants may have additional features such as Caller ID on their telephone.

The program is sponsored by the SBC Ohio Telephone Co. For information and an application, phone SBC at 1-800-335-8721.

**SENIOR CITIZEN CENTERS AND LEGAL AID OFFICES**

**CUYAHOGA COUNTY**

For information or to make an appointment in Cuyahoga County  
 phone the Senior Helpline  
 on Tuesday, Wednesday or Thursday between 1 p.m. and 4:30 p.m.  
 at 216-861-5479

**EAST SIDE**

**WEST SIDE**

Buckeye Senior Center  
 11802 Buckeye Road  
 216-491-8450

Maple Heights Senior Center  
 15901 Libby Road  
 216-587-5481

Lakewood Office on Aging  
 16024 Madison Avenue  
 216-521-1515

Emeritus House Senior Center  
 (at Indian Hills)  
 1554 East 193 Street  
 216-289-8586

Martin DePorres Center  
 1264 East 123 Street  
 216-268-3909

Metro Health Hospital  
 2500 Metro Health Drive  
 216-778-5551

Fairhill Institute  
 12200 Fairhill Road  
 216-421-1350

Murtis H. Taylor Center  
 13422 Kinsman Avenue  
 216-283-4400

Parma Senior Resource Center  
 7001 West Ridgewood  
 440-885-8155

Goodrich-Gannett Center  
 1368 East 55 Street  
 216-432-1717

Stella Walsh Recreational Center  
 7345 Broadway Avenue  
 216-441-0111

West Side Legal Aid Office  
 3408 Lorain Avenue  
 216-961-6630

Helen S. Brown Senior Center  
 16100 Euclid Avenue  
 216-761-8410

Woodland Branch  
 Cleveland Public Library  
 5806 Woodland Avenue  
 216-623-7109

**DOWNTOWN**

Hough Opportunity Center  
 8555 Hough Avenue  
 216-421-5400

Downtown Legal Aid Office  
 1223 West Sixth Street  
 216-687-1900  
 Extension 5336

For information or to make appointments outside Cuyahoga County  
 phone the offices listed below

**LAKE COUNTY**

Lake-Geauga Legal Aid, 8 North State Street, Painesville, OH 44077  
 440-352-6200 or TOLL FREE 1-888-808-2800

**LORAIN COUNTY**

The Legal Aid Society of Lorain County, 538 West Broad Street, Elyria, OH 44035  
 440-323-8240 or TOLL FREE 1-800-444-7348

**ASHTABULA COUNTY**

Ashtabula County Legal Aid, 121 East Walnut, Jefferson, OH 44047  
 440-576-8120 or TOLL FREE 1-866-873-9665

**The Legal Aid Society  
of Cleveland  
1223 West Sixth Street  
Cleveland, Ohio 44113**