

# Your Financial Health



Summer 2011

## Don't Fall for **CHECK SCAMS**



Almost everyone has received one at one time or another – an unexpected check in the mail. Most people realize it is too good to be true, but hope springs eternal and there is always that little thought that *maybe* it could be legitimate. More people than you think fall victim to fake check scams.

Typically, check scams work like this: you receive an unexpected check in the mail for a sweepstakes you have supposedly won or a letter offering to pay you to do work at home. You are instructed to deposit the check and send them some of the money. The explanation might sound plausible. For example:

- You are processing checks from their “clients” and you are to keep your “pay” and wire them the rest.
- Or they are sending you part of the money for the sweepstakes, and you are to wire them money for taxes, customs, processing or other fees that must be paid before you can receive the rest of the money.

The checks look legitimate – so much so that banks often don’t recognize them as fake. The problem is that you may have access to the funds before you know the check is bad. Under federal law, financial institutions must make the funds you deposit available to you quickly (usually within one to five days). By the time the check bounces, you might already have withdrawn the funds and sent them on to the fraudsters. Then the financial institution will withdraw the amount that was originally credited to your account, and you will be left holding the bag.

According to the National Consumers League, “There is no legitimate reason for someone who is giving you money to ask you to wire money back.” Don’t fall for the scam. Never deposit the check.

### Signs a Check Might Be a

# FAKE

**Look of the check:** Does the paper feel lighter than normal? Does the check have one perforated edge as most checks do?

**Bank logo and address:** Does the logo look faded or blurry, like it may be a copy? Does the address just list a P.O. box rather than a street address? Is the zip code correct?

**Numbers on the check:** There should be a check number in the upper right-hand corner, and that number should match the check number in the magnetic ink character recognition (MICR) line. The MICR line appears at the bottom of the check and represents the financial institution’s routing number, the account number and the check number. Real magnetic ink looks dull. The routing number portion of the MICR should have nine characters. You can go to the Federal Reserve Financial Services Web site (<http://www.fedwiredirectory.frb.org/search.cfm>) to verify a routing number.

### Credit Score Tip

Beware of trying to boost your credit score by closing unused accounts. If you close unused accounts without paying down your debt, it could actually hurt your score. By closing accounts, you will change your debt utilization ratio (the amount of your total debt divided by your total available credit). Basically, it makes you look like you are closer to maxing out your available credit.

While you may choose to close unused accounts to keep yourself from overspending, don’t do it just in an effort to raise your score. And, if you do opt to close unused accounts, don’t close all of the oldest ones. If you only keep accounts you have opened recently, you will appear to be a newer borrower.

Don't Get Hooked By

# High Interest

If you are thinking of buying a car this summer, don't get hooked by a high-interest loan. You don't have to fish for a loan that is low on interest and high on value. Just come to University Health Federal Credit Union.

Your rate could be as low as **3.29% APR\***.

Plus, you'll find:

- Quick approval
- Convenient terms
- No pre-payment penalty

Reel in your new car with a car loan you can afford!

Visit [www.universityhealthfcu.org](http://www.universityhealthfcu.org) or call (706) 774-8850.

\*APR = Annual Percentage Rate. All loans subject to credit approval.

## Beating the Odds of a Bleak Outlook for Young Workers

According to an article on CNNMoney.com, the unemployment rate in November 2010 for those post-college age (20-24) "was almost 16%, compared to 9.8% for the nation." A recent Pew Research Center study reports that since December 2007, nearly 40% of 18-29 year olds have been unemployed or underemployed.

With such a bleak outlook, how can young people beat the odds? No matter what your current or future job situation may be, you can make the most of the money you earn. Follow these three tips to help yourself build a firm foundation for your future.

**Invest in your future.** Keep the big picture at the forefront of your mind. Decide where you want to be in five years and 10 years, and decide what sacrifices you are willing to make to get there. Pay yourself first. Saving through payroll deduction is easier because you don't have to make a monthly decision about whether or not to save.

**Cut expenses.** When making spending decisions, think beyond today. Can you go for a run or work out at home instead of investing in a gym membership? Can you carpool to work to save on gas? Do you need the deluxe cable or satellite package? Can you take your lunch to work instead of eating out? Making little cuts along the way can add up more than you think. Small savings could be the key to getting a new car or having a down payment on a house.

**Stick to a budget.** Track your spending for a few months so you know exactly where your money goes. You may be surprised to find out how much you spend on coffee or snacks at convenience stores. Write down all the expenses that are musts and then set limits for yourself on things like entertainment, food, etc. Include savings in your plan. Remember, the very best budget only works if you follow it carefully.

[www.universityhealthfcu.org](http://www.universityhealthfcu.org)

Main Office  
1402 Walton Way  
Suite 102  
Augusta, GA 30901  
(706) 774-8850  
(706) 774-4860 Fax

Mon, Tue, Thur: 8:00 a.m. – 4:30 p.m.  
Wed: 8:00 a.m. – 12:00 p.m.  
Fri: 8:00 a.m. – 6:00 p.m.

Martinez Branch  
4106 Columbia Road, Suite 104  
Martinez, GA 30907  
(706) 854-1485  
(706) 854-1466 Fax

Mon, Tue, Thur: 8:00 a.m. – 4:30 p.m.  
Wed: Closed  
Fri: 8:00 a.m. – 6:00 p.m.

Audio Response  
Local: (706) 774-3465 or  
(706) 774-3466  
Toll-free: (888) 774-6210  
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Holiday Closing  
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