



# MAKING THE MOST OF YOUR MONEY

## FINANCIAL TIPS FOR TODAY'S CONSUMER

CONSUMER CREDIT COUNSELING SERVICE OF MONTANA & WYOMING

### Be smart with your first Credit Card

For college students today, getting that first credit card has been as much a rite of passage as keggers and all-nighters were for their parents. But thanks to the Credit CARD Act, that's all about to change.

Two out of three college students have at least one card, according to a recent U.S. Public Interest Research Group study. But for too many students, that first card has led to disaster, prompting the law's tight restrictions on how credit card companies deal with young adults sufficient income.

Those credit card company booths and giveaway programs that have been fixtures at colleges for years will be going away, too. The Credit CARD Act specifically bans such marketing at or near campus or at college-related events.

The restrictions will go into effect in February 2010, so for students who get their applications in before the deadline -- and those old enough to apply for their own cards once the restrictions are in place -- college can be a great place to start themselves on the right credit track before they leave campus for the real world.

Used properly, the right credit cards can help you build your credit history, allowing you to:

- Qualify for lower rates on auto loans and mortgages after you graduate.
- Reduce your insurance premiums, since many insurers use credit information to determine their prices.
- Get a decent apartment, since many landlords check credit scores.

#### ***Here's how to do it right.***

Apply for the right card. Universities and alumni associations have been raking in big bucks steering you to certain credit card companies which flood students with offers via e-mail, snail mail and campus kiosks.

But that doesn't mean those issuers will give you the best deal. A university-branded card may tout a low initial interest rate, for example, that quickly jumps to 19% or more after a few months.

Even worse are the so-called subprime credit card vendors that stick you with big upfront and annual fees that can eat up most of some cards' available credit. Do your own research. You want a card that:

- Charges no application fee or other upfront fee.
- Has no annual fee.
- Comes with a decent interest rate; 14% to 17% is typical for a student card.
- Reports to all three credit bureaus.

That last point is important. If your card isn't reported to the bureaus, it's not building your credit. How do you know? The major issuers that specialize in student cards, such as Citi, Capital One and Discover, report to all three. Before applying for a card from a credit union or small bank, though, ask in advance whether your account would be reported to Equifax, Experian and TransUnion.

Also: Apply for one card at a time, and let several months to a year pass before you apply for another. You need only one card to start building a credit history; a second card will continue to help, but if you apply for many more you're just increasing the chances you'll run into trouble.

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# Your 5 Minute Guide to Health Insurance

Access to health insurance is protected by federal law if your employer offers group coverage. But if you need to buy insurance on your own and you have a history of medical problems, finding affordable insurance can be a challenge. Either way, you can take steps to control your health-care costs.

## ***Get the most from your employer plan***

If you're insured through your employer, review your coverage annually when your company holds open enrollment.

- You may have a choice of several types of providers. Base your decision on access to quality care and what the plan does and doesn't pay for. Examine deductibles, co-payments, limits on out-of-pocket expenses, lifetime maximum benefits and prescription coverage.
- Have your medical needs changed? A plan that couples higher premiums with lower co-pays is better for people with health problems.
- You can pay out-of-pocket health-care expenses with a flexible spending account using pretax dollars, meaning Uncle Sam covers as much as a third of the tab. But you'll lose what you don't use in the calendar year
- You may be able to lower your premiums by taking advantage of employee incentives to lose weight, exercise and stop smoking.

## ***Cheaper ways to buy it yourself***

Another option for paying out-of-pocket medical expenses is the health savings account. An HSA is available only if you buy high-deductible health insurance through your employer or on your own. Not every high-deductible plan can be partnered with an HSA.

- The Internal Revenue Service will allow maximum HSA contributions of \$2,900 for individuals and \$5,800 for families in 2008. Your contribution is either pretax or deductible, even if you don't itemize, and earnings and withdrawals for medical expenses are tax-free.
- Unlike a flexible spending account, your money is invested, and what you don't spend will roll over to the next year. You can take the account with you if you change jobs.
- Use HSA Insider, HealthDecisions.org or eHealthInsurance.com to find insurance that qualifies as high-deductible under IRS regulations.
- You can make contributions up to age 65. After that, you can make taxable withdrawals for any purpose.

## ***For those awkward in-between times***

If you're between jobs, try not to let insurance coverage lapse. Some provisions of federal law that protect access to insurance don't apply if you've been without coverage for 63 days (longer in some states).

COBRA, the Consolidated Omnibus Budget Reconciliation Act of 1985, allows you to continue group coverage after your job ends, generally for 18 months, but you'll pay the entire premium. Know your rights under federal law and state law.

- You can continue contributing to your flex account under COBRA, giving you more time to use the money
- You can use your HSA to pay COBRA or other health insurance premiums if you're receiving unemployment compensation.
- Under certain circumstances, you can make penalty-free withdrawals from an IRA to pay premiums if you're unemployed.

There may be better option for you and your family. The best thing you can do is research the options available to you.

## **Paper Cup Turkeys**

1. What you'll need:
2. Paper or foam cup (8.5 oz)
3. Acrylic paint in fall colors (brown, tan, orange, red, green, yellow, etc.)
4. Large pom-pom for head (brown, yellow, red, orange, etc.)
5. Small foam heart for gobbler (to contrast with color of head)
6. Small foam triangle (orange or yellow)
7. 2 small wiggle eyes
8. 3" x 2" piece of orange construction paper
9. 1 sheet of white construction paper
10. White craft glue
11. Scissors



How to make it:

1. Place cup upside down on work surface and paint brown (see image).
2. To make the feathers, paint the white construction paper with several fall colors, crisscrossing the colors as you go. Let dry (see image)
3. Cut feathers out in one large piece, should be shaped similar to a hand or crown. Cut the tips of each feather into a point (see image).
4. Apply glue to the bottom portion of the feathers and press onto the bottom of the cup. Hold in place for a minute or so to let the glue grab.
5. Place foam heart upside down so that the bumps are facing downward. Glue the foam triangle, point down, onto the upside down heart--the upper points of the triangle will be hanging over the edge. This is the beak and gobbler (see image).
6. Glue the pom-pom to the top of the paper cup.
7. Glue the wiggle eyes and the beak and gobbler to the head.
8. Cut two feet from the orange construction paper and glue to the bottom of the cup.