



MAKING THE MOST OF YOUR MONEY

FINANCIAL TIPS FOR TODAY'S CONSUMER

CONSUMER CREDIT COUNSELING SERVICE OF MONTANA & WYOMING

22 tips to protect yourself

You can take steps to protect yourself from identity fraud:

- Keep your confidential information private. Your bank or credit card company won't call or e-mail to ask for your account information. They already have it.
- Keep an inventory of everything in your wallet and your PDA, including account numbers.
- Don't keep your Social Security card or any card with your Social Security number, such as an insurance card, in your wallet.
- Order and review your credit report. You are allowed one free report each year from each of the three major credit agencies. Order reports here; it is the only place to get them for free.
- Stop getting banking and credit card information in the mail.
- Monitor your bank and credit card transactions for unauthorized use. Crooks with your account numbers usually start small to see if you'll notice. The sooner you catch them, the easier the problems are to clear up.
- Keep your vehicle registration and insurance forms in a sealed envelope in your glove box and lock it and your car when at home or away.
- If you conduct business online, use your own computer. A public computer is less secure, as is wireless Internet.
- Look for suspicious devices and don't let anyone stand nearby when you use an ATM. Take your card and receipt with you. Keep your PIN in your head, not in your wallet.
- Don't store credit card numbers and other financial information on your cell phone.
- If you're job hunting using résumé Web sites, don't apply unless the employer has a verifiable address.
- Once you no longer need to store them, shred any bills or statements that have your personal information on them. (See "Purge your financial paperwork.")

Protect your computer from vulnerability:

- Keep system and browser software up to date and set to the highest security level you can tolerate. Install antivirus, antispymware and firewall protection, and keep them up to date as well. When possible, use hardware firewalls, often available through your broadband connection router.
- If you use wireless Internet access, make sure you get help from someone who understands wireless security when you set up your access point or router.
- Back up your data and store it way from your computer.
- Don't open e-mails from strangers. Malware can be hidden in embedded attachments and graphics files.
- Don't open attachments unless you know who sent them and what they contain. Never open executable attachments. Configure Windows so that the file extensions of known file types are not hidden.
- Don't click on pop-ups. Configure Windows or your Web browser to block them.
- Don't provide your credit card number online unless you are making a purchase from a Web site you trust. Reputable sites will always direct you to a secure page with a URL starting with https:// whenever you actually make purchases or are asked to provide confidential information.
- Use strong passwords: at least six characters, including at least one symbol and number, and no reference to your name or other personal information. Use a different password for every site that requires one, and change passwords regularly.
- Never send a user name, password or other confidential information via e-mail.
- Consider turning off your computer when you're not using it or at least putting it in standby mode.
- Don't keep passwords, tax returns or other financial information on your hard drive.

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Your 5 Minute Guide to Home Loans

What's the best way to pay for the biggest purchase you'll likely ever make?

You can be sure of two things: It's harder to get a mortgage now than it was a year ago, and the fine print can have life-changing consequences.

- Gather your paperwork before you meet with a lender.
- Get preapproved for a mortgage. Unlike "prequalifying," preapproval means you have a loan lined up, which makes your offer more attractive to sellers. You don't have to accept a loan from a company that preapproves it.
- If you suspect interest rates are going to rise before you close, pay to lock your rate in place.
- Consider buying discount points to reduce your interest rate only if you plan to be in the house long enough to recoup that money and then some.
- If you're a first-time homebuyer or are low-income, look for financing through your local or state board of housing. The federal Department of Veterans Affairs offers help for military personnel and veterans.
- In today's tighter credit market, you'll need a down payment.

Types of Loans

30-year fixed rate. Compared with an adjustable-rate mortgage, or ARM, you'll pay a slightly higher interest rate but have the comfort of knowing it won't change over the life of the loan. Consider a 15-year mortgage to save thousands in interest if you can afford a higher monthly payment.

ARM. Sometimes known as "hybrid" loans, ARMs offer a low fixed rate of interest at the beginning of the loan, followed by rate adjustments that are tied to an index. For instance, a 5/1 loan has a fixed rate in the first five years and a rate that's adjusted every year after that. These mortgages may work well for people who plan to move or refinance their homes with a fixed-rate mortgage before the interest begins to ratchet up. (See "How to deal with a rising home payment.")

Option ARM. You can pay the full interest and principal due each month or just the interest, or make a partial interest payment. The third option is particularly hazardous because the unpaid interest will be added to the principal you owe. (See "Ouch! Your house payment just doubled.")

Interest only. You pay only interest for the first five years or so and both interest and principal in the remaining 25 years. Another version is the interest-only fixed-rate mortgage. Like ARMs, you'll end up with substantially higher monthly payments unless you sell or refinance your home. If your income can support only the interest payment, rather than principal and interest, you should not be buying a home. Further, with home values falling across the country, you could quickly find yourself "upside down" -- owing more than the house is worth.

Private mortgage insurance, known as PMI, can cost hundreds of dollars a month. You can avoid having to buy private mortgage insurance (which protects the lender, not you) by putting down at least 20% on your home.

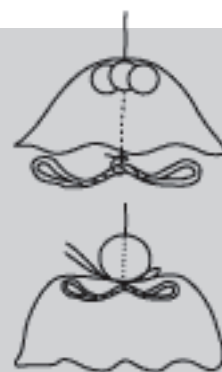
You could also take out what's known as a piggyback loan. Your primary loan would cover the first 80% of the value of your house. A piggyback loan is a second mortgage that would cover the remainder, usually at a much higher interest rate. If you have to buy private mortgage insurance, ask to have it canceled when you've reduced your loan balance to 80% of your home's appraised value. Once you've reduced your loan balance to 78%, the lender must cancel your PMI unless you're considered a credit risk.

If you already have a mortgage, you may be tempted to refinance when interest rates drop. Don't make a decision based simply on the availability of lower rates. Would you actually pay less when you figure in the closing costs?

Ghost Decorations

CRAFT MATERIALS:

White pipe cleaner	12-inch square of gauze
About 16 inches of fishing line	Black permanent marker or
Scissors	black acrylic paint
3 cotton balls	Masking tape



1. Bend the pipe cleaner to create the ghost's shoulders.
2. Cut a 10-inch length of fishing line and tie one end around the middle of the shoulder piece. Assemble the rest of the pieces as shown, threading the line through the center of the gauze and clustering the cotton balls around the line under the gauze.
3. Tie the ghost's neck with the remaining line as shown. Trim the ends. Add a face with marker or paint. Hang with tape.