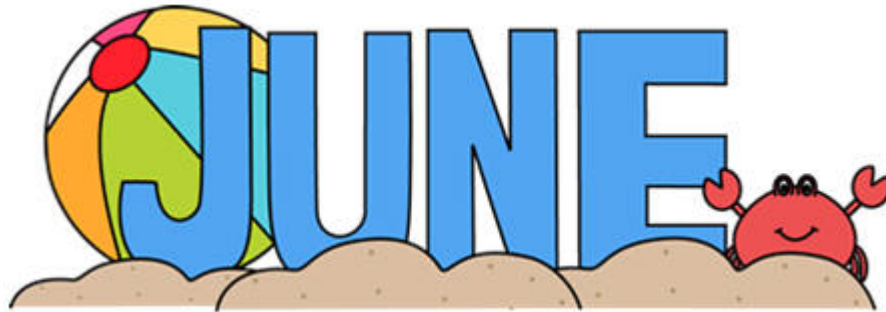


Consumer News & Views

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Consumer Confidence Improves in May. Consumer Confidence, which suffered a mild setback in April, experienced its most dramatic jump for the year. According to a Thomson Reuters consensus estimate, consumers were feeling a bit more optimistic in May.

The University of Michigan reported their index of consumer sentiment hit 94.7 in May, up 5.7 points from April's reading of 89. That marked the biggest jump in a single month since 2013 and the highest the index has been since last June's 96.1 reading. Despite the jump, economists surveyed by *The Wall Street Journal* were somewhat disappointed because they expected sentiment to hit 95 in May.

Thomas Hinton, president of the American Consumer Council, a non-profit consumer education organization, stated, "Consumers remain confident, but cautiously optimistic. We don't expect any significant change in 2016, but as the American economy improves and the job market expands, consumers will continue to spend. We remain comfortable with our annual consumer spending forecast increase of 2.6% for 2016 over last year."



Americans are more confident than at any time in almost a year, as cheap gasoline, low interest rates and a rebound in stocks boost the economy's prospects.

Consumer spending reflects more than two-thirds of economic demand in the U.S. Economists believe when consumers are feeling confident, they are more likely to spend on everything from cars to restaurant meals, helping businesses, and the economy, grow.

How Thieves Steal Your Credit Card... and You Never Know It!

Here's an excellent article from *Bankrate* on how thieves steal your credit card when you least expect it. The American Consumer Council encourages you to check your credit card statement online at least weekly to make sure you haven't been ripped off.

With little brute and more skill, thieves only need a minute, sometimes a second, to pilfer your credit card data.

"Back in the beginning, they got the imprint of credit cards from the carbon copies they dug out of the trash," says William Noonan, deputy special agent in charge of the Secret Service's cyber operations branch of the criminal investigative division. "Technology has changed things."

The good news, if there is any: While the number of data breaches involving credit and debit card numbers grew in 2015 to 160 from 138 the year prior, the total number of records exposed fell dramatically to 800,000 from 64.4 million, according to The Identity Theft Resource Center, a San Diego-based nonprofit organization.



In 2015, criminals hacked, phished or skimmed their way into the systems of Ashley Madison, the CVS Photo website, Hilton Worldwide, Hyatt Hotels, Landry's restaurants and Trump Hotel Properties, among others. In some cases, they only obtained names and emails. In the worst cases, they got credit card numbers.

The schemes are simpler than you think. *Bankrate* presents the most common ways thieves pilfer your credit card information.

Modus operandi: The waitress whisks away your credit card and swipes it through the restaurant's register. Then, she pulls out a small device, about the size of an ice cube, and swipes the card through that, says Lt. David Schultz of the Fort Bend County Sheriff's Office in Texas. While you're scraping the last of the chocolate frosting from your plate, your credit card information has been stored in the device, known as a skimmer. The waitress returns your card and performs the same magic trick on dozens of credit cards in a week.

Known whereabouts: The data-stealing waitress has been known to moonlight as a bartender, sales clerk or at any place where she can take your credit card out of sight.

Modus operandi: Sally, Simon and Bud walk into a toy store. Sally and Simon roam the aisles, while Bud waits in line to check out. When Bud is at the register, Simon comes running up to the clerk, screaming that his wife has fainted. As Sally and Simon distract the sales clerk, Bud switches the credit card reader at the register with a modified one of his own, says Mike Urban, FICO's former senior director of fraud product management. For the next week, the sales clerk unwittingly collects credit card data on the modified reader until the trio returns, takes back the modified reader and restores the original terminal.

Known whereabouts: The trio will hit other retailers and restaurants, but sometimes the threesome will instead be a duo or a solo criminal.

Modus operandi: The Gas Lass parks her car in front of a gasoline station off the turnpike. It's late. There's no one around except a sleepy attendant at the register inside. The Gas Lass attaches a skimmer over the credit card reader at the pump. It's a special skimmer: It emits a Bluetooth signal to a laptop close by, says Noonan. The Gas Lass pays, heads off to the motel next door and sets up her laptop to receive the data from the compromised pump over the next several days.

Known whereabouts: The Gas Lass installs skimmers over ATMs, parking meters, vending machines and any other places with unmanned credit card readers.

Modus operandi: Harry the Hacker installs malware -- a type of software that damages or infiltrates a computer or network -- on to a legitimate website with low security. The malware instantly downloads on to your computer when you visit the site and allows Harry to access your information. In another scenario, Harry puts malware on public computers and gathers the information you share with that computer, says Urban. Harry also infiltrates the computer system of banks, retailers and other businesses, and extracts personal account information, Noonan says.

Phishing Phil uses malware to go after your laptop or tablet. He sends emails with attachments that promise dancing kittens or some other bait. When the user opens the attachment, malware instantly downloads on to the computer and leaves confidential information vulnerable. Phil also sends emails from a familiar sender with a link to a contaminated website that installs malware on to your computer. Some malware, called spyware, allows Phil to capture every keystroke - including passwords to your financial accounts.

Modus operandi: So what happens to these pieces of data when they're in no-good hands? They get sold.

The waitress, trio or Gas Lass sells each swipe for about \$12, according to Dell SecureWorks. Harry the Hacker and Phishing Phil will get \$4 to \$8 a card on the black market. The person who buys the information verifies it and then sells it to a person who creates fraudulent credit cards with your account information attached to it. The card maker then sells it to other criminals who buy goods such as stereos or baby formula and sells them to regular consumers.

How You Can Prevent Credit Card Theft or Minimize the Damage to Your Credit:

- Set up mobile banking alerts for your phone from your financial institution. That way, you can be aware of unusual activity as quickly as possible.
- Regularly monitor your accounts online, so you can identify fraudulent transactions faster. We recommend you review your online credit card accounts at least weekly.
- Avoid public computers. Don't log on to your email if your bank corresponds with you there. We suggest setting up an email account just for your finances and checking it from a safe location.
- Avoid doing business with unfamiliar online vendors. Stick to established merchants and websites.
- If your information has been compromised, immediately notify your financial institutions and local law enforcement. Also notify any of the 3 major credit reporting agencies -- Experian, Equifax and TransUnion -- to set up a fraud alert on your credit reports.

What to Do if Your Credit Card is Stolen?

What is credit card fraud—and how do you keep it from happening to you?

Credit card fraud is when someone uses one or more of your cards without your permission. The thief may use your card to buy things or to take money out of an account. Fortunately, the law limits your financial liability in cases of credit card fraud. Still, it's important to act quickly if you're a victim of credit card fraud.

If you suspect credit card fraud, contact your credit card company immediately. They can:

- Help you verify whether fraud has occurred
- Remove fraudulent charges
- Close your account to prevent any further fraudulent transactions
- Issue you a new account number and new card, and transfer your old information to the new account
- If you suspect you're a victim of credit card fraud or identity theft, it's important to act quickly to help protect yourself.

- If you suspect you're a victim of credit card fraud or identity theft, it's important to act quickly to help protect yourself.
- It's also a good idea to check your credit report to make sure nothing looks suspicious. Each major credit-reporting agency must provide you with a free copy of your report once a year upon request. Visit annualcreditreport.com to request a free annual credit report. Once you receive your credit report, look for credit inquiries from companies you don't recognize, accounts you did not authorize and addresses that you don't recognize.

What to do if your identity is stolen.

Identity fraud is a type of fraud in which a thief uses your personal information to set up new accounts or get other benefits in your name. If you ever suspect that you're a victim of identity theft:

- Contact all your financial institutions immediately so they can protect your existing accounts either by closing them or by adding passwords. Be sure to check every account at every company.
- Contact the 3 major credit bureaus to place a fraud alert on your credit file. The fraud alert requests creditors to contact you before opening any new accounts. You also can order a credit report to identify any additional fraudulent activity.
 - Equifax 800.525.6285
 - Experian 888.397.3742
 - Trans Union 800.680.7289
- Contact every company that has an account in your name (including, if necessary, phone companies and other utilities) and have them freeze the account.
- Keep good records, including copies of every communication with creditors and credit reporting agencies as you try to repair the problem.
- File a police report. Get a copy of the report to submit to your creditors and others that may require proof of the crime.
- File a complaint with the Federal Trade Commission (FTC). The FTC maintains a database of identity theft cases used by law enforcement agencies for investigations. Trained counselors are available to help victims.

Arm yourself with additional knowledge:

Bank of America has assembled a variety of privacy and security resources that can help you learn more about how help to protect yourself against credit card fraud and identity fraud.

[Return to Learn About Credit.](#)

7 Signs You Can't Afford to Buy a Home.

By Kathleen Elkins

Making the leap from renting to buying is thrilling and liberating — for many, it signifies the realization of "the American Dream. Buying a home is also a long-term commitment, and one that requires strong financial standing. If any of these signs strike a chord, you may want to delay taking on a mortgage in the near future.

1. You have a low credit score.

Before considering home ownership, you'll want to check your credit score, which you can do through free sites like Credit Karma, Credit.com, or Credit Sesame.

"The higher your score, the better the interest rate on your mortgage will be," writes personal finance expert Ramit Sethi in "I Will Teach You to Be Rich." Good credit can mean significantly lower monthly payments, so if your score is not great, consider delaying this big purchase until you've built up your credit.



2. You have to direct more than 30% of your income towards monthly payments.

Personal finance experts say a good rule of thumb is to make sure the total monthly payment doesn't consume more than 30% of your take-home pay.

"Any more than that, and your finances are going to be tight, leaving you financially vulnerable when something inevitably goes wrong," write Harold Pollack and Helaine Olen in their book, "The Index Card." "To be fair, this isn't always possible. In some places such as New York and San Francisco, it can be all but impossible."

While there are a few exceptions, aim to spend no more than one-third of your take-home pay on housing.

3. You don't have a fully funded emergency savings account.

And no, your emergency fund is not your down payment.

As Pollack and Olen write, "We all receive unexpected financial setbacks. Someone gets sick. The insurance company denies a medical claim. A job is suddenly lost. However life intrudes, the bank still expects to receive our monthly mortgage payments ... Finance your emergency fund. Then think about purchasing a home. If you don't have an emergency fund and do own a house, chances are good you will someday find yourself in financial turmoil."

Certified financial planner Jonathan Meaney recommends having the equivalent of a few years' worth of living expenses set aside in case there is a job loss or other surprise. "Unlike a rental arrangement with a one or two year contract and known termination clauses, defaulting on a mortgage can do major damage to your credit report," he tells Business Insider. "In addition, a quick sale is not always possible or equitable for a seller."

4. You can't afford a 10% down payment.

Technically, you don't always have to put any money down when financing a home today, but if you can't afford to put at least 10% down, you may want to reconsider buying, says Sethi.

Ideally, you'll be able to put 20% down — anything lower and you will have to pay for private mortgage insurance (PMI), which is a safety net for the bank in case you fail to make your payments. PMI can cost between 0.5% and 1.50% of mortgage, depending on the size of your down payment and your credit score — that's an additional \$1,000 a year on a \$200,000 home.

"The more money you can put down toward the initial purchase of a home, the lower your monthly mortgage payment," Pollack and Olen explain. "That's because you will need to borrow less money to finance the home. This can save you tens of thousands of dollars over the life of the loan."

To get an idea of the savings you'll have to put away, check out how much you need to save each day to put a down payment on a house in major US cities.

5. You plan on moving within the next five years.

"Home ownership, like stock investing, works best as a long-term proposition," Pollack and Olen explain. "It takes at least five years to have a reasonable chance of breaking even on a housing purchase. For the first few years, your mortgage payments mostly pay off the interest and not the principal."

Sethi recommends staying put for at least 10 years. "The longer you stay in your house, the more you save," he writes. "If you sell through a traditional realtor, you pay that person a huge fee — usually 6% of the selling price. Divide that by just a few years, and it hits you a lot harder than if you had held the house for ten or twenty years."

Not to mention, moving costs can be insanely high.

6. You're deep in debt.

"If your debt is high, home ownership is going to be a stretch," Pollack and Olen write.

When you apply for a mortgage, you'll be asked about everything you owe — from car and student loans to credit card debt. "If the combination of that debt with the amount you want to borrow exceeds 43% of your income, you will have a hard time getting a mortgage," they explain. "Your 'debt-to-income ratio' will be deemed too high, and mortgage issuers will consider you at high risk for a future default."

7. You've only considered the sticker price.

You have to look at much more than just the sticker price of the home. There are a mountain of hidden costs — from closing fees to taxes — that can add up to more than \$9,000 each year, real estate marketplace Zillow estimates. And that number will only jump if you live in a major US city.

You'll have to consider things such as property tax, insurance, utilities, moving costs, renovations, and perhaps the most overlooked expense: maintenance.

"The actual purchase price is not the most important cost," says Alison Bernstein, founder and president of Suburban Jungle Realty Group, an agency that assists suburb-bound movers. "What's important is how much it's going to cost to maintain that house," she tells Business Insider.

Read up on all of the hidden costs that come with buying a home before making the leap.

Kathleen Elkins covers personal finance for Business Insider, which she joined in February 2015. She initially wrote for the strategy and careers verticals. She graduated from Williams College in 2014. Follow her on Twitter at @kathleen_elk.

ACC Annual Meeting Scheduled for June 10, 2016. The American Consumer Council will hold its annual membership and business meeting on Friday, June 10, 2016 at 10:00 am at The Lodge at Torrey Pines located in La Jolla, CA. The meeting is open to all members of ACC. For more information, please contact ACC's meeting department at 1-800-544-0414.

ACC's Friend of the Consumer Award Recognizes Outstanding Businesses in 2015-2016.

Is your business consumer-friendly? Does your business deserve greater recognition for its service to consumers? If so, you should apply for the American Consumer Council's Friend of the Consumer Award. Now is the time to apply!

Throughout the year, ACC presents its "Friend of the Consumer" Awards. This prestigious award recognizes manufacturers, retailers, and other businesses that produce or sell products in the United States that meet or exceed federally-mandated standards and are touted by consumers as "consumer friendly."

Each year, ACC awards numerous "Friend of the Consumer" Awards to deserving companies and organizations because they have "demonstrated a commitment to American consumers by providing a specific product or service that fosters consumer confidence and market acceptance."



To apply for the "Friend of the Consumer" Award, complete the online application and return it to ACC with the application fee. Applicants will be notified within 5 days of receipt of their application. Thereafter, a panel of independent judges will review your application and make a formal recommendation within 20 days of receipt of your award application.

For more information, visit: <http://www.americanconsumercouncil.org/awards.asp>

Green CSM Certification Accepting Applications for 2016 Summer Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green CSM Certification**. Applications for the 2016 Summer cycle are now being accepted through September 30, 2016.

It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green CSM Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

