

ARMY COMMUNITY SERVICE



Consumer Financial Services

CONSUMER EDUCATION WORKBOOK

BUDGETING

CONSUMER CREDIT

INCOME

	NET PAY	ADJUSTMENT
Military Pay (Take-home pay including BAQ & BAS)	\$	\$
Spouse's Income		
Part-Time job		
Other income		
TOTAL INCOME	\$	\$

EXPENSES

	AMOUNT	ADJUSTMENT
Rent or mortgage		
Electricity		
Gas		
Water		
Telephone		
Cable TV		
Groceries		
Transportation (Gas, Oil Changes, Tune-up)		
POV Insurance		
POV Payments		
Personal Care (Hygiene, Diapers, etc.)		
Hair Care		
Clothes (laundry/dry cleaners)		
Entertainment (include video tapes, etc.)		
School (lunches, tuition, supplies)		
Child Care		
Child Support/Alimony		
Savings		
Bank Service Charge		
ATM		
Overdraft		
Meals eaten out		
Hobbies		
Insurance		
Contributions		
Creditor payments (Total of minimum payments)		
Miscellaneous (newspapers, etc.)		

TOTAL EXPENSES & SAVINGS \$ _____

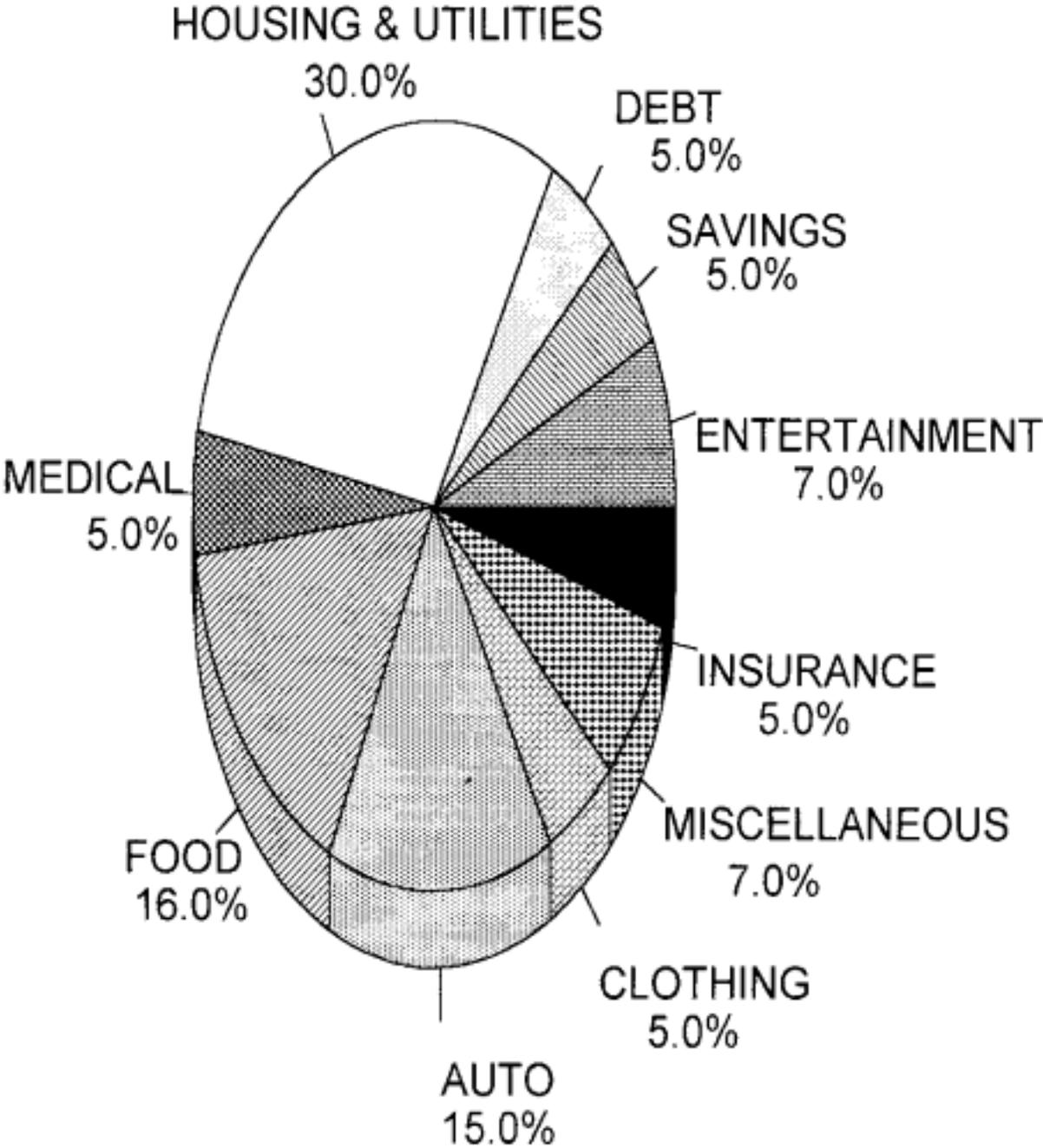
Subtract your expenses and savings from your income.

\$ _____	(Income)
- _____	(Expenses and Savings)
<u>\$ _____</u>	(Leftover)

Do you need to make an adjustment in your spending? If you need to cut back in any expense areas, fill in a realistic spending goal for each area in the extreme right hand column above.

TYPICAL LIVING EXPENSE

(Department of Agriculture)



CONSUMER AFFAIRS QUIZ

1. A consumer who has signed a contract in a door-to-door sales transaction, may cancel the contract if he/she acts before midnight the _____ business day following the date the contract was signed.
 (a) First (b) Second (c) Third (d) Seventh
2. _____ is the purest form of life insurance.
 (a) Whole life (b) Term life (c) Straight life (d) Mortgage insurance
3. Purchasing life insurance is a good way to save money.
 (a) True (b) False
4. _____ is the maximum percentage of your monthly income you can comfortably use for repayment of credit obligations.
 (a) 10% (b) 20% (c) 36% (d) 42%
5. What is the maximum amount an individual can put into an independent retirement account, tax-free, each year?
 (a) \$6,000 (b) \$ 500 (c) \$1,750 (d) \$2,000
6. All banking institutions pay the same interest on savings and charge the same amount for service charges.
 (a) True (b) False
7. Where on the installation can you obtain an interest free loan for emergencies?
 (a) Post Exchange (c) Morale Support
 (b) Army Emergency Relief (d) NCO Club
8. If a credit card is lost or stolen an individual is responsible for charges up to what limit before the card is reported lost or stolen?
 (a) \$500.00 (b) No limit (c) \$50.00 (d) \$100.00
9. Once an item has been repossessed, does this mean the account is paid in full?
 (a) Yes (b) No
10. Is it possible for the non-payment of a telephone or utility bill to be considered criminal in nature?
 (a) Yes (b) No
11. Is it possible to serve time in jail for giving a worthless check?
 (a) Yes (b) No

12 If you co-sign a loan and the person being loaned the money does not pay it back, you are required to pay off the loan.

(a) True

(b) False

13. A skipped payment on an AAFES deferred payment plan can result in the entire balance being deducted from your pay.

(a) True

(b) False

14. You can cancel a layaway agreement at any time and get all of your money back.

(a) True

(b) False

15. Only reputable, approved businesses can advertise in the 'YELLOW ' pages.

(a) True

(b) False

16. You do not have to pay for, or return, un-ordered merchandise received in the mail.

(a) True

(b) False

17. A government agency checks ads before they appear on radio or TV to make sure they are truthful.

(a) True

(b) False

18. Your warranty coverage is limited to the terms expressly stated in the written warranty.

(a) True

(b) False

19. If an automotive dealer needs more than one day to repair your car, and the car is still under warranty, you must be given a loaner car to use in the meantime.

(a) True

(b) False

20. A debtor can be sued if he is making partial payments on his/her debt.

(a) True

(b) False

21. List good or bad by the following purchasing habits. G GOOD B BAD

_____ a. I shop only from a list of items needed.

_____ b. I like to have groceries delivered to my home.

_____ c. I list all the sale items from the paper and drive all over town to get them.

_____ d. I buy large containers of products without checking the unit measurement to save money.

_____ e. I save my money until I have enough to pay cash for the things I need.

_____ f. I like to spend my recreation time looking around in stores.

_____ g. I would like to purchase a television set on a rent-to-own basis.

G GOOD B BAD

- _____ h. I buy a lot of insurance because being in the Army increases my chances of dying.
- _____ i. I look for a place to live further from the installation because the rent is cheaper.
- _____ j. I pawn my valuables in order to get money for emergencies.
- _____ k. I go to home sales parties because they are so much fun.
- _____ l. I like to beat my friends on the video game machines.
- _____ m. I always carry my check book to the club with me in case the gang runs out of money before we are ready to go home.
- _____ n. I drive home for lunch to save money.

Use consumer publications to compare quality and durability of items before you buy. The following are on hand at Casey Memorial Library:

- Consumer Guide
 - Consumer Research Magazine
 - Consumer Reports Magazine
 - Consumer Reports Buying Guide
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DOOR-TO-DOOR SALES:

One of the most important rights Texas consumers have is the right to cancel, without obligation, certain credit agreements they have signed. When you buy any merchandise, insurance, or services, in which the sales price is more than \$25.00, from a salesperson soliciting you directly at your residence you may cancel the sale. If you want to cancel a home solicitation agreement which puts you in debt, you must do it by midnight of the third business day following the date you signed the agreement. Business days do not include Sundays or legal holidays, but do include Saturdays.

Important Consumer Assistance Offices

ARMY LEGAL ASSISTANCE PROGRAM:

Provides soldiers and their family members with FREE legal advice and counseling.

LEGAL ASSISTANCE OFFICES:

4ID.....287-1850/1835
1CD.....287-6060
III CORPS.....287-5297/7901

ARMY EMERGENCY RELIEF (AER):

288-5003

CONSUMER FINANCIAL SERVICES:

287-8979

CONSUMER COMPLAINTS/ INFORMATION:

287-CITY

Consumer Credit

Credit Risk Scoring

<u>FACTORS</u>	<u>POINTS</u>	<u>FACTORS</u>	<u>POINTS</u>
<u>1. Length of residence:</u>		<u>2. Years on current job:</u>	
Less than 1 year	1	Less than 1 year	1
1-3 years	5	1-2 years	5
4-5 years	10	3-5 years	10
6-9 years	14	6-9 years	15
10 or more years	20	10 or more	20
<u>3. Housing residence:</u>		<u>4. Annual family income</u>	
Own	15	Less than \$10,000	2
Rent	5	\$10,000-\$19,999	6
Other	1	\$20,000-\$29,999	8
<u>5. Bank account:</u>		\$30,000-\$49,999	12
Checking and Savings	20	\$50,000 and over	20
Savings only	8	<u>6. Telephone (in your name):</u>	
Checking only	6	Yes	8
Neither	0	No	0
<u>7. Ages in years:</u>		<u>8. Current bank loans:</u>	
Under 21	0	One or more	5
21-24	4	None	0
25-34	9	<u>9. Small loan company loans:</u>	
35-44	11	Two or more	-10
45-54	12	One	-5
55-62	13	Zero	0
63-65	14	<u>11. Travel & Entertainment cards:</u>	
Over 65	0	Two or more	0
<u>10. Bank credit cards:</u>		One	5
Yes	8	Zero	10
No	0	<u>13. Credit Bureau Information:</u>	
<u>12. Department store cards:</u>		Excellent or satisfactory on 3+	
Two or more	0	accounts	20
One	5	Excellent or satisfactory on 1-2	
Zero	10	accounts	6
		No record	-5
		Derogatory only	-20

Sample of Credit Risks	
The required number of points might be as follows	
1. Local department store	70
2. Oil company	74
3. Major department store	78
4. Bank credit card	82
5. Travel and entertainment card	90