

NAVY FAMILY SERVICE CENTERS IN HAMPTON ROADS, VIRGINIA

# Command Financial Specialist CHRONICLE

SUMMER 1998

PLEASE  
PASS  
QUICKLY,  
TIME  
SENSITIVE

CO/OIC \_\_\_\_\_  
XO \_\_\_\_\_  
CMC \_\_\_\_\_  
CFS \_\_\_\_\_

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## Know Your Rights! The Fair Credit Reporting Act

### FOR QUESTIONS OR CONCERNS REGARDING:

CRAs, creditors, and others not listed below:

Federal Trade Commission  
Consumer Response Center FCRA  
Washington, DC 20580 • 202-326-3761

National banks, federal branches/agencies of foreign banks (word "National" or initials "N.A." appear in or after bank's name):

Office of the Comptroller of the Currency  
Compliance Management, Mail Stop 6-6  
Washington, DC 20219 • 800-613-6743

Federal Reserve System member banks (except national banks and federal branches/agencies of foreign banks):

Federal Reserve Board  
Division of Consumer and  
Community Affairs  
Washington, DC 20551 • 202-452-3693

Savings associations and federally chartered savings banks (word "Federal" or initials "F.S.B." appear in federal institution's name):

Office of Thrift Supervision  
Consumer Programs  
Washington, DC 20552 • 800-842-6929

Federal credit unions (words "Federal Credit Union" appear in institution's name):

National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314 • 703-518-6360

State-chartered banks that are not members of the Federal Reserve System:

Federal Deposit Insurance Corporation  
Division of Compliance and  
Consumer Affairs  
Washington, DC 20429  
800-934-FDIC (3342)

Air, surface, or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce Commission:

Department of Transportation  
Office of Financial Management  
Washington, DC 20590 • 202-366-1306

Activities subject to the Packers and Stockyards Act, 1921:

Department of Agriculture  
Office of Deputy Administrator - GIPSA  
Washington, DC 20250 • 202-720-7051

The federal Fair Credit Reporting Act (FCRA) is designed to promote accuracy, fairness, and privacy of information in the files of "consumer reporting agencies." Most CRAs are credit bureaus that gather and sell information about you, such as whether you pay your bills on time or have filed for bankruptcy. You can find the full text of the FCRA at the Federal Trade Commission's website (<http://www.ftc.gov>). Some of your rights under the FCRA are outlined below.

**You must be told if information in your file has been used against you.** Anyone who uses information from a CRA to take action against you must tell you which CRA provided the report.

**You can find out what is in your file.** A CRA must, on your request, give you the information in your file, and a list of everyone who has requested it recently.

**You can dispute inaccurate information with the CRA.** If you dispute information in your file, the CRA must investigate and report back to you.

**Inaccurate information must be corrected or deleted by the CRA.** If information is proved inaccurate, the CRA must remove it from your file, usually within 30 days.

**You can dispute inaccurate items with the source of the information.** If you report your dispute to the source of information, the source must include a notice of your dispute with any report they send to other CRAs.

**Outdated information may not be reported.** A CRA may not report negative



**Highlights from CFS  
Bankruptcy Panel**

**Magnitude of  
Consumer Debt**

**VHDA Home Ownership  
Program**

**Are You All Thumbs  
Financially?**

**Toolbox  
For Your Information**

information that is more than seven years old; ten years for bankruptcies.

**Access to your file is limited.** Information may be provided only to people with a need recognized by the FCRA, such as creditors, insurers, and employers.

**Your consent is required for reports that are provided to employers or reports that contain medical information.**

**You may choose to exclude your name from CRA lists for unsolicited credit and insurance offers.**

**You may seek damages from violators.**

# TOOLBOX

## The Car Buyer's Toolbox

With a little nerve and the right research, anyone can nail down a bargain on a new car. Put these essentials to work for you.

### Buying a Safer Car:

A brochure with advice from the National Highway Traffic Safety Administration and AAA on how to pick a safe vehicle. Call 1-800-424-9393 and request operator assistance. Cost: free.

### Consumer Reports Annual Auto Issue:

A special edition devoted to reviews of current car models and articles on buying. Available at newsstands in April. Cost: \$4.95.

### Consumer's Survival Guide to Automobiles:

A workbook on how to get the best deal. Includes negotiating tips for women. Call 1-800-633-5151. Cost: free.

### Edmunds's New Car Prices and Reviews:

A reference guide of dealer invoice prices on new cars, trucks, and options. Borrow it free from your local library or order by mail. Call 914-962-6297. Cost: \$13.99.

### National Automobile Dealers Association Used Car Guide:

A book with current trade-in and retail values of used cars. Borrow it free from your local library or buy it at your local bookstore. Cost: \$9.95.

### Car Bargains:

A full-service agency that negotiates the car purchase for you. Call 1-800-475-7283. Cost: \$165.

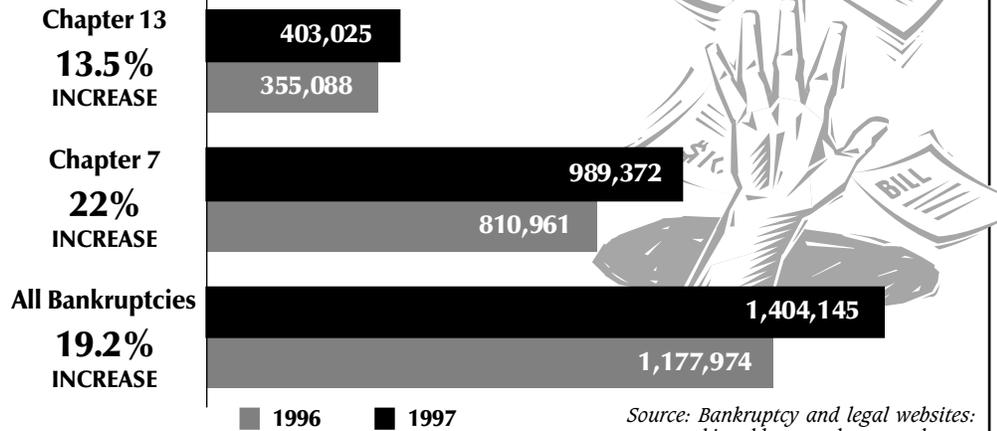
Source: Family Circle, November 1, 1997.

## New TRICARE Phone Number

Effective 1 April 1998, the TRICARE Service Center health care appointment and information line will change to a toll-free number. The new number is 1-800-931-9501. The new number provides callers with enhanced capabilities over the old number including customer-focused service 24 hours a day, 7 days a week. TRICARE Prime appointment number 468-1871 (Sentara Clinics) will not change for the following clinics: Virginia Beach, Norfolk, Little Creek, Naval Medical Center Portsmouth, U.S. Coast Guard Clinic Portsmouth, Ft. Eustis (3rd Floor), and NAS Oceana.

## Highlights from the 31 March CFS Forum Bankruptcy Panel

### Bankruptcy: The Right Option or a 10-Year Mistake?



### Issues

- Navy neither encourages nor discourages bankruptcy.
- Only 1% of people will call for help right away; the rest will call the night before a court date.
- Most bankruptcies occur because of poor judgment and poor planning.
- Bankruptcy indicators include people living paycheck to paycheck with no resources for unexpected events; judgments; garnishments; liens against real estate.
- Financial problems are a precursor to divorce and discipline problems.

### Recommendations

- The Command Financial Specialist needs to be aware of what people are doing, identify patterns, and be available to educate.
- Bankruptcy should be used sparingly.
- Do not reaffirm debts in a Chapter 7.
- Be aware that a Chapter 7 will pull cosigners in, but Chapter 13 will not.
- Get competent counsel.
- Get records together, construct a workable budget.
- Get help at the first sign of trouble.

### Tips for Command Financial Specialists Working with Bankruptcy Clients

- Educate your client on the bankruptcy process
  - Do they understand how it works?
  - Do they understand the impact on their credit report?
  - Do they understand the impact on getting credit in the future?
  - Do they understand that they should inform their command of the filing?
  - Do they understand there is a potential

loss of assets?

- Do they understand the potential impact on co-debtors?
- Have they changed their behavior?
- Do they have a "good" bankruptcy attorney?
- Have they explored all other potential options?

### ■ Potential Options

- Do they have a budget in place?
- Have they contacted all creditors and tried to work with them?
- Have they asked creditor for deferred payments, refinancing, or any other options?
- Have they explored professional debt management programs through their credit union or CCCS?
- Do they qualify for a consolidation loan?
- Do they have anything to liquidate (sell)?
- Is there any cash value in life insurance policies?
- Is repossession an option on vehicles?
- Can they refinance their mortgage? If loan is VA, have they contacted the VA for options?

## Magnitude of Consumer Debt

• The American Collectors Association (ACA) estimates that bad debt costs every man, woman, and child in the United States \$375 per year. This means that a family of four pays \$1,500 more for goods and services during the year.

• In August 1997, outstanding consumer installment debt totaled \$1.2 trillion, a five-percent increase over August 1996.

• According to the National Foundation for Consumer Credit, 54 percent of people surveyed said it is tougher to pay their bills today than it was three years ago, and 89 percent said it was easy to get into debt today because of the availability of credit.

• For the first time in the history of the U.S. courts, bankruptcy filings surpassed the one million mark—or the equivalent of about one for every 105 U.S. households—in a single 12-month period ended June 30, 1996.

• In the first half of 1996, \$32.7 billion was added to the nation's credit card

balance sheet, according to the Federal Reserve. This follows 1995's \$77 billion increase.

• More than half (53%) of consumers surveyed by the Bankcard Holders of America said they were in debt due to overspending. Medical bills, college expenses, and job layoffs were the top three reasons cited for overspending.

• There were 501.8 million active credit cards in force in the second quarter of 1996, compared with 456.1 million in the second quarter 1995, according to Card Management Information Services.

• A recent study by the American Bankers Association found that check fraud cases reported by the banking industry increased from 537,000 in 1991 to 1.3 million in 1993, the most recent year for which national statistics are available. Dollar losses associated with that fraud increased 40 percent from \$568 million to \$850 million.

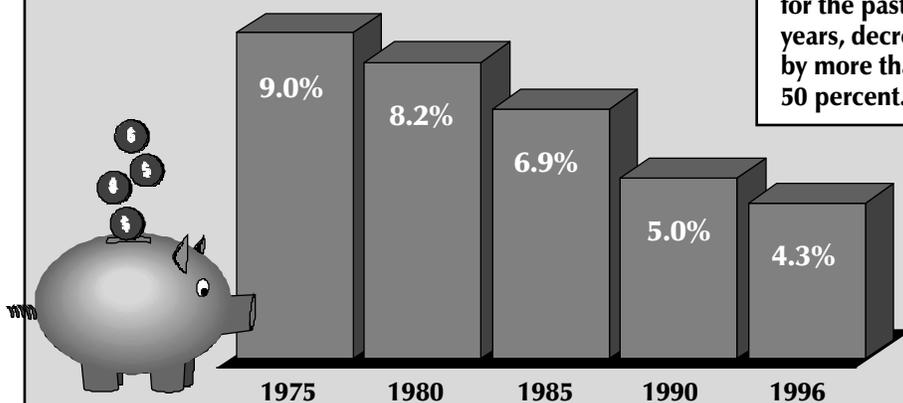
Source: <http://www.collector.com>

## VHDA Home Ownership Program—What a Deal!

The Virginia Housing Development Authority (VHDA) is offering a Home Ownership Program specifically for Navy and Marine Corps personnel to purchase homes in Virginia at rates below mortgage industry standards. To qualify for reduced mortgage rates, service members must attend a no-cost six-hour block of instruction during normal duty hours provided by VHDA at Navy Housing

sites. Completion of the course will provide eligible service members the opportunity to purchase the home of their choice, from the Realtor of their choice, and obtain the mortgage financing at a reduced rate. Participation in this program does not supersede or eliminate veterans' eligibility. Call 1-888-643-2696 for information.

### How Much Do Americans Save?



The United States' personal savings rate has fallen steadily for the past 20 years, decreasing by more than 50 percent.

FOR YOUR **FM** INFORMATION

## Insurance Sales on Navy Installations

We must protect our sailors from potentially fraudulent business practices, including instances of insurance sales to uniformed personnel aboard military installations. These sales have had a negative impact on many sailors, particularly junior personnel. Among prohibited practices discussed in SECNAVINST 1740.2D are sales to "captive" audiences or to on-duty personnel; offering improper or unfair inducements; suggesting or implying that DoD or DoN sponsors or endorses any particular company; and solicitation by a military member of another military member who is junior in rank or grade. (NAVADMIN 042/98 CNO 070057Mar98)

## ACFS Course Premieres

The Hampton Roads NFSC test piloted the new Advanced CFS Training at the Norfolk site the week of 20 April. Twelve senior CFSs participated in the training and assisted in final development of the course. After completion of all components of the training, participants are able to present seven core financial GMTs, conduct solution-focused financial counseling, and continue development of their command's program through the mentoring process. The next ACFS course convenes the week of 24 August. Interested CFSs should contact their local NFSC for more information.

## Budgeting for Baby

The *Junior Seabag* program is still alive and kicking! This program and *Budgeting for Baby* are available to all Navy and Marine Corps members and families (E1-O10). *Budgeting for Baby* is a two-hour course for new moms and dads to help them prepare for the financial changes that a new baby brings. Call the Navy-Marine Corps Relief Society at 423-8830 or 464-9364 to sign up for the class.

## Mark Your Calendar!

Association for Financial Counseling and Planning Education:  
1998 Annual Conference  
November 18-21, 1998  
Ft. Lauderdale, Florida

## Are You All Thumbs Financially?

Although each person's situation is different, rules of thumb can point you in the right direction. Of the common beliefs listed, which are true and which are false?

 **You cannot borrow your way out of debt. *True.*** There are only three options when it comes to improving your financial health: increasing your income, decreasing your debt, and decreasing your living expenses.

 **The average annual return on the stock market for the last 70 years has been 10%. *True.*** In spite of periodic downturns, such as the Depression, long-term returns have averaged 10%–12%.

 **Because sailors have SGLI and other death benefits, they need no other life insurance. *False.*** Insurance needs vary with each life stage. Do an insurance needs assessment to determine whether or not you need more protection.

 **You can give yourself a 10% raise by keeping a written budget. *True.*** people who lack a written budget cannot account for 10% of their income.

 **Between your military pension and Social Security, your financial future is secure. *False.*** Retirement and Social Security benefits typically cover only about 64% of pre-retirement income.

 **You are probably at a safe level of debt if no more than 20% of your net income goes toward payments, exclusive of mortgage. *True.*** Knowing what percentage of your income goes toward debt can help you manage your use of credit.

 **A Savings and Investments seminar at your NFSC is a great place to learn more about planning your future. *True.*** Hampton Roads NFSCs offer no-cost seminars to active duty service members and their family members. Sign up today!

## Training Opportunities

Scheduled Skills for Living classes at NFSC Hampton Roads sites:

### NFSC Little Creek

Car Buying Strategies ..... 2 JUN  
Savings and Investments ..... 9 JUN  
Checking Account Management ..... 21 JUN  
Wealth Building Seminar ..... 27–28 JUL

### NFSC Norfolk

Checking Account Management ..... 24 JUN  
Car Buying Strategies ..... 24 JUN  
Savings and Investments ..... 24 JUN  
Art of Money Management ..... 21 and 23 JUL  
Checking Account Management ..... 29 JUL  
Car Buying Strategies ..... 29 JUL  
Savings and Investments ..... 29 JUL

### NFSC Northwest

Insurance—What's Best for You ..... 24 JUN  
Savings and Investments ..... 28 JUL  
Car Buying Strategies ..... 25 AUG

### NFSC Oceana/Dam Neck

Developing Your Spending Plan ... 2 and 17 JUN  
Checking Account Management ..... 25 JUN  
Car Buying Strategies ..... 28 JUL  
Savings and Investments ..... 6 AUG  
Using Credit Wisely ..... 26 AUG

### NFSC Yorktown/Newport News

Personal Financial Mgmt. (YK) ..... 1 JUN  
Personal Financial Mgmt. (NN) ..... 10 JUN  
Financial Management for Spouses (YK) ..... 23 and 25 JUN  
Using Credit Wisely (NN) ..... 1 JUL  
Personal Financial Mgmt. (YK) ..... 6 JUL  
Personal Financial Mgmt. (YK) ..... 3 AUG  
Developing Your Spending Plan (NN) ... 12 AUG  
Financial Management for Spouses (YK) ..... 25 and 27 AUG

### Navy Family Service Centers in Hampton Roads, Virginia

**NFSC Little Creek**  
1450 D Street  
Norfolk, VA 23521-2231  
464-7563

**NFSC Norfolk**  
7928 14th Street, Suite 102  
Norfolk, VA 23505-1219  
444-2102

**NFSC Northwest**  
1320 Northwest Blvd., Suite 100  
Chesapeake, VA 23322-4094  
421-8770

**NFSC Oceana**  
3rd Street & E Avenue  
Virginia Beach, VA 23460-5120  
433-9675

**NFSC Dam Neck**  
FCTCL Dam Neck  
488 Sparrow Street, Suite 126-127  
Virginia Beach, VA 23461  
433-7150

**NFSC Yorktown/Newport News**  
PO Drawer 160  
Yorktown, VA 23691-0160  
887-4606/688-NAVY

### DEPARTMENT OF THE NAVY

Navy Family Service Centers  
of Hampton Roads, Virginia

Official Business

RETURN SERVICE REQUESTED