

# FIS\$CALLY FIT

Volume 6, Issue 1

November 2004



Dates to

Remember

**November**

- Thanksgiving Holiday (Law Center Closed 25th and 26th)

**December**

- Last day of classes December 4th
- Financial Aid Office Retreat December 6th( Office opens @ 1: 30)
- First day of exams December 7th
- Christmas Holiday ( Law Center Closed 24th and 27th)
- New Years Holiday (Law Center Closed December 31st - January 3rd)

**January**

- Classes begin January 10th
- MLK Birthday January 17th ( no classes meet)
- Presidential Inauguration January 20th ( no classes)



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## How to Guard your Credit Score



The U.S. Public Interest Research Group recently conducted a survey and found that one in every four credit reports had an error serious enough to affect a person’s ability to get an apartment, a job, or obtain credit. You may believe that you have nothing negative on your report, but the best way to be sure is to get a copy for yourself. Thanks to the new federal legislation known as the Fair and Accurate Credit Transactions Act (FACTA) you may receive a free copy of your credit report.

If you are a victim of identity theft or turned down because of negative infor-

mation, you are eligible to receive a free copy. Also, under a new law, all consumers may receive a free copy from each of the major three credit bureaus once a year. (See Chart pg 2) This is important because it allows you to ensure your payment history is accurate in order to protect your credit score. This number, which ranges between 300-850, is calculated by credit bureaus and lenders based on the information in your credit report. Besides providing your credit score, the new law requires the credit bureau to also explain the factors that adversely affect it. Some factors may be delinquent accounts, late payments, or company mistakes. (continued page 2)

## Getting Ready for the Spring

Many students receive refunds from their loan proceeds that are used to pay living and other expenses. If you are such a student, you probably noticed that the date for Spring refunds was provided on the Fall 2004 Student Accounts Office’s Early Refund Request Form that you completed. If you don’t recall the date, the date for the Spring 2005 semester refunds to be available is **January 5, 2005**.

As a reminder, continuing students may have their refunds deposited directly into their checking account by completing the Direct Deposit Authorization Form available on the GULC Office of Student Accounts web page. However, Student Ac-

counts needs to receive a refund request form each semester that you have a credit balance in order to trigger your refund. By completing the Direct Deposit Form, time will be saved since you will not have to visit your bank to deposit the check or wait for the funds to clear.

For more information regarding the Spring 2005 refund process, please contact the GULC Office of Student Accounts located in McDonough room 581. You can contact them via email at [www.law.georgetown.edu/finaff/studaccts](http://www.law.georgetown.edu/finaff/studaccts) or by phone at 202-662-9057.

# www.Useful Websites.com

## [www.bookfinder.com](http://www.bookfinder.com)

This site assists you with buying books online. Simply type in the author's name or the book's title and it will give you a listing of where you can buy the book for the cheapest price. This website sells new and used books and can be helpful if you are searching for bargains for your law school texts and paperback books.

## [www.bankrate.com](http://www.bankrate.com)

This online publication provides consumers with financial data, research, and editorial information on financial products. You'll find advice on obtaining mortgages, credit cards, CDs, new and used auto loans, money market accounts, home equity loans, and lines of credit. It also includes information on filing your taxes and you can



download state and federal tax return forms from the website.

## [www.myfico.com](http://www.myfico.com)

The official website of the company that created credit scoring. Find out what makes up a credit score and how your score affects the interest rate you are charged.

## [www.volition.com/free.html](http://www.volition.com/free.html)

This website is known as "The site with the oldest free stuff on the internet". It includes links to coupons and discounts, a free stuff catalog, free magazines, general freebies, free software and lots of other odd links.

## The How To Guard your Credit Score (Continued)

One of the biggest (and still growing) problems that affects people's credit scores is identity theft. More than half a million people become victims of identity theft each year and face years of frustration as they work to clean the mess up. Under FACTA you are armed with stronger weapons to fight ID theft. Victims are now allowed to use a fraud alert by simply notifying one of the major credit bureaus. This guarantees consumers a 90 day alert within which companies must take reasonable steps to ensure the identity of anyone trying to start an account in your name. And, if you provide an identity report from a law enforcement agency, you can request that the alert be extended for seven years.

In addition to the alert, any business where a fraudulent account or accounts were opened is required by law to give you any account record that may help to clear your name. As a victim you may also dispute fraud accounts by filing an FTC ID theft affidavit on [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft).

With new laws in place to help ensure our credit history and future, we should take advantage of them. Here are the three major credit bureaus you may contact in order to receive a copy of your credit report. Free Credit Report Access begins Dec 1, 2004 in Western States, on March 1, 2005 in the Midwest, on June 1, 2005 in the South, and on Sep 1, 2005 in the Northeast; this is based on your permanent address.

### Free Credit Report!

<u>Credit Bureau</u>	<u>Website</u>	<u>Order Report/ Report Fraud</u>
Equifax	<a href="http://www.equifax.com">www.equifax.com</a>	1-800-685-1111 1-800-525-6285
Experian	<a href="http://www.experian.com">www.experian.com</a>	1-888-397-3742
Trans Union	<a href="http://www.transunion.com">www.transunion.com</a>	1-800-888-4213 1-800-916-8800

## The Big Chill...Put your cards on ice



With the chill of Fall in the air we are advising our students to "Put Their Credit Cards on Ice". This experiment is designed to measure a student's tendency to make impulse purchases with credit cards. Here are the instructions to the student:

- On Thursday night, calculate your expenses for the upcoming weekend, from Friday morning to Monday morning, and determine how much money you can afford to spend.
- On Friday morning, withdraw the amount of cash you have budgeted for the weekend. Put all of your credit cards in a metal bowl. Fill the bowl with water and freeze it.

- Enjoy the weekend, but spend wisely.

By putting all of your plastic on ice, you will have to defrost the cards before you can use them. Because the bowl is metal, you won't be able to thaw the ice in a microwave oven. So, by the time it will take you to go home and defrost the bowl's contents you may have a little more time to reconsider a purchase you were tempted to make with your plastic.

During the Monday morning thaw, ask yourself:

- Did I handle my finances differently when I did not have credit available?
- Did I want and/or need to use my credit cards during the weekend? Why?

## Check Clearing for

# "Check 21"

## the 21st Century Act

In the past you may have written checks and figured you have at least until the next business day to put the money in the bank to make sure all your checks were covered. Or you may have deposited a check and later in the day went to a local merchant and wrote a check because you thought by the time they cash it, the check you deposited earlier should be cleared. This is referred to as "riding the float" because of the time you have before the check is received at the bank. However, as of October 28, a new law called "Check 21" will go into effect. It speeds up the check clearing process and cuts down on the "float" time.

Since checks that consumers write will do less floating and begin to clear faster, banks will save billions of dollars once "Check 21" is fully functional, if banks decide to use the new law as an excuse to bounce checks. Consumers could end up losing out and paying lots of fees. This could also lead to consumers bouncing more checks and paying more overdraft charges. Consumer Union is advising consumers to keep an eye on their bank statements in the coming months. Consumers will also discover fewer of their canceled paper checks are being returned, as banks

begin to process checks electronically.

Banks say that the law will be implemented slowly, but more banks and merchants will begin to take advantage of electronic processing. Even if a consumer's bank does not implement "Check 21" starting October 28, another bank that processes the check might choose to do so. Therefore, expect all of your checks, no matter who you bank with, to clear faster, except the checks you deposit.

Although you may deposit money in the bank, do not write checks, unless all of your deposits are cleared. To speed up the deposit process you could easily have all your paychecks including earnings from your student job set up for direct deposit. This way you know that the money is definitely in the bank on time. Direct deposit will also benefit you because banks are not required to make funds you deposit available quicker in order to cover any incoming checks. In order to avoid bouncing checks and overdraft fees, if you are not 100 percent sure the money is already in the bank, do not write a check. Trying to "ride the float" will get you lots of overdraft charges and bounced checks.



*"Live like a student now, so you won't have to live like one after you graduate!"*

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**FINANCIAL AID OFFICE HOURS**

Monday through Friday  
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Call (202) 662-9210 or stop by McDonough Room 335 to schedule an appointment.

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For comments or suggestions on **FISCALLY FIT**, including useful web sites, please contact:

[Finaid@law.georgetown.edu](mailto:Finaid@law.georgetown.edu)

GULC Financial Aid Office

## Tax Time: Higher Education Benefits for 2004

When preparing your tax return, make sure you explore your eligibility for each of higher education tax benefits listed:

- Lifetime Learning Credit
- Higher Education Expense Deduction
- Student Loan Interest Deduction
- Earned Income Credit

The maximum benefit for the Lifetime Learning Credit is \$2,000 for 2004 for qualified tuition and related education expenses. The Deduction for Higher Education Expenses for 2004 is \$4,000. The Student Loan Interest Deduction, up to \$2,500, will most benefit Fall 2004 and May 2005 graduating students when filing their 2005 tax returns as it is available only during repayment.



The Earned Income Credit value is for workers with one child and an AGI less than \$30,388 (single) or \$31,388 (married). With two or more children with an AGI less than \$34,458 (single) and \$35,458 (married) can qualify for a credit of \$4,204. Workers with incomes below \$11,490 (single) and \$12,490 (married) with no children.

For more complete information regarding higher education benefits, you can download IRS Publication 970 Tax Benefits for Higher Education at the IRS website: [www.irs.ustreas.gov/forms\\_pubs/pubs.html](http://www.irs.ustreas.gov/forms_pubs/pubs.html). Another website that you can look at for information is Turbo Tax: [www.turbotax.com/articles.FederalTaxFormLinks.html](http://www.turbotax.com/articles.FederalTaxFormLinks.html). This site also provides links to both the federal and state tax forms. Tax forms are not available in the Financial Aid Office. The IRS building at 500 North Capitol will have paper forms available in January of 2005.

