



New York State Comptroller Thomas P. DiNapoli

Your Money New York

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Where do your tax dollars go? Find out with OPEN BOOK NEW YORK!

To improve State government transparency and accountability, Comptroller DiNapoli has launched a new website called

Open Book New York

to give taxpayers access to State and local government financial information. This website includes searchable databases of spending for more than 100 State agencies, more than 60,000 active State contracts and much more. Check out **Open Book New York** at www.openbooknewyork.com and find out how your tax dollars are being spent!

Message from Comptroller DiNapoli

Welcome to the fall edition of Your Money *New York*.

Since becoming Comptroller, I have emphasized that when it comes to State and personal finances, "every dime counts." My Office continues to fulfill its oversight role by conducting hundreds of audits dedicated to saving taxpayer dollars, identifying waste, and increasing State and local government efficiency and effectiveness.

I have also increased efforts to return more of the \$9 billion in unclaimed funds – including forgotten bank accounts, utility deposits, insurance payments, and stocks and bonds - that my Office holds in trust for millions of hard working New Yorkers. I urge you to visit my Web site (www.osc.state.ny.us) to see if you or someone you know has money that we can return to you. In addition, I have enhanced access to information about New York's 529 College Savings Program to increase the use of this valuable savings tool.

My Office has been saying for a while now that New York State is facing serious fiscal challenges, spending well beyond its means and borrowing to make up the difference. The economic downturn has elevated these problems, limiting our options and creating significant out-year budget gaps. Many consumers are facing a similar challenge: Americans have \$1 trillion in credit card debt and much more in mortgage debt. In addition, many of us have used home equity lines of credit or signed up for additional credit cards to make up the difference between our income and our spending.

This is not a sustainable way to run a state or a household. New York needs to make some painful decisions to set itself on the course to financial stability – delaying the pain will only increase the degree of difficulty. The same goes for New York's households: we need to act now. In this economy, things may get worse before they get better. Therefore I encourage everyone to make a budget, differentiate between needs and wants, prioritize spending and identify areas where you can pocket an extra dime or two.

I also encourage you to share this newsletter with your family and friends. The more in balance we can get our finances today, the better off we will all be tomorrow.

Sincerely,

Thomas P. DiNapoli
State Comptroller

Fair Debt Collection

The Fair Debt Collection Practices Act does not erase debt, but it does require debt collectors to treat you fairly.

Debt collectors may not:

Use threats of violence or harm, call excessively at unreasonable hours, use obscene language, or harass, abuse or oppress you.

Make false statements, imply they are attorneys or government representatives, imply you have committed a crime, or misrepresent the amount of your debt.

Say you'll be arrested for not paying your debt, or say anything they don't really intend to do and/or that they legally may not do.

Use unfair practices, like collecting more than your debt (unless allowed by State law), use deception, or take or threaten to take your property illegally.

Give out false credit information about you.

Source: "Fair Debt Collection" Federal Trade Commission (FTC).

Debt Collection: Know Your Rights

No one plans to fall behind on their bills. However, if you fall behind on repaying your debt, including mortgage, credit card, auto, medical, or personal loans, you may be contacted by a debt collector or agency. This also may happen as a result of identity theft or a billing error. Regardless of the cause, if you find yourself in this situation, you should know your rights and the preliminary steps you should take to address the problem.

1. **Identify the debt collector and the debt.** Request, verbally and in writing, the amount and proof of the debt (including the original amount of the debt and any interest, fees or other charges). Ask who the creditor is and what actions you should take if you do not believe you owe the money. Ask for the name of the caller, the collection agency and contact information.
2. **Establish privacy boundaries.** Tell the collection agent that you only want to be contacted in writing, that they may not call you at work and that you are the only person to be contacted regarding this debt. Put these requests in writing using certified mail, return receipt requested. You may be contacted one more time by the collector to tell you its next steps.
3. **Keep a chronological record of all contact.** This should include dates, times and copies of all communications, verbal and written, that take place between you and the collection agency. Keep copies of abusive or overly intrusive communications, and document these in writing. If you believe you are being treated unfairly, file a complaint with the Attorney General, the Consumer Protection Board, or the Federal Trade Commission (FTC).
4. **Carefully review the debt and respond accordingly.** If the debt amount is accurate, yours, and legally collectable, try to work out a repayment plan. Get all terms in writing, including where to send payments. If the debt is not yours, if it has already been paid or if the amount is incorrect, follow steps to dispute the debt. Do not pay a bill you do not owe. This will serve as acceptance of the debt owed and will stay as a blemish on your credit report.

If you find yourself unable to repay debt you have incurred, you may need to seek credit counseling services or legal assistance, but proceed cautiously, as some services do more harm than good. Be wary of any services with excessive fees, unrealistic promises, and lack of credentials or references.

Financial Resources for Military Veterans

On November 11th, Comptroller DiNapoli will join the nation in honoring our military veterans. In recognition of the service provided by these brave men and women, New York State has created programs to assist the more than one million veterans living in the State, including the examples below. To get more information about these and other State and federal veterans' programs and benefits, including assistance with employment, health care and more, visit the State Division of Veterans Affairs' website or call 1-888-VETS NYS (1-888-838-7697).

Educational opportunities. Veterans Tuition Awards (up to the full cost of tuition at the State University of New York) are available for full-time and part-time study for eligible veterans matriculated at undergraduate or graduate degree-granting institutions or in approved vocational training programs in New York State.

Home buying assistance. The Homes for Veterans Program offers eligible veterans closing cost assistance of up to \$5,000 or 5% of the loan amount, no points or origination fees, and lower interest, fixed-rate mortgages through the State of New York Mortgage Agency.

Lower property taxes. The Alternative Veterans Exemption provides a property tax exemption of 15% of assessed value to wartime veterans and an additional 10% to those who served in a combat zone. Exemptions are also available to disabled veterans equal to one-half of their disability rating.



Managing Your Winter Energy Bills

While it seems the price of everything is going up these days, energy bills often cause the most aggravation. The most recent price data from the U.S. Energy Information Administration shows New York residents' electricity rates are the third highest in the country, and are 65% higher than the national average. Here are some cost-effective actions you can take to lower your winter energy bill:

1) Lower your thermostat. Turn down your thermostat - for every three degrees you turn down the heat, you can reduce your bill by up to 10%. Install a programmable thermostat to prevent heating the house unnecessarily when no one is home and while you are sleeping. Set it between 55 and 60 degrees when no one is home and at night, and program it to start warming the house up to 65 to 68 degrees 30 minutes before you need the heat.

2) Help your heat system work for you. A dirty furnace is inefficient and may be a safety hazard. An annual cleaning and tune-up from a trusted professional can be one of the most effective ways to lower your heating bill. Check your furnace's air filter monthly to make sure it is clean and change it when necessary to improve airflow. Keep ducts and vents clean and unblocked by furniture, rugs or curtains to maximize warm air circulation in your home.

3) Avoid heating the outdoors. Minimize the use of bathroom or kitchen fans which draw out moisture as well as warm air. Close your fireplace damper when not in use. Close the vents in rooms you do not use and close off the rooms. Find cold, drafty spots in your home, especially around windows, doors, attics and basements. Insulate and seal them off with weather-stripping, foam or caulk from your local home improvement store, and use door sweeps or rolled up rugs to block drafts.

4) Reduce your use of hot water. Water heating accounts for 14% of home energy use. Lower your hot water temperature to 120 degrees or less and wrap your hot water heater in a suitable insulating blanket following the manufacturer's instructions. Save money and energy by washing more laundry in cold water, since up to 90% of the energy used by the washing machine is used to heat the water. Only run full loads in the washing machine and dishwasher. Install low-flow shower heads and faucets to decrease their hot water use by up to 40%.

5) Let the sun shine in. Open curtains on the south side of your house during the day and keep the windows sparkling clean to maximize daylight and solar warmth. Use insulating shades or curtains at night to keep in the warmth. Use interior or exterior storm windows and doors and plastic window film kits to reduce heat loss by up to 50%. Look into "weatherization" programs offered by your utility company or the State (see sidebar) to help pay for more efficient replacement windows.

6) Explore energy efficiency programs. New York's utility companies are developing programs to help improve the efficiency of their customers' homes – contact yours and see what is available. Also, NYSERDA administers the EmPower Program for the State's utility companies to help income-eligible families improve their home's efficiency. This program pays for home energy audits to find areas for improvement, and pays for improved insulation, air sealing, heating system upgrades, energy efficient appliances and more. Contact the program implementer for more information and an application at 1-800-263-0960.

7) Ask for help. Even as we make our home as efficient as we can, we may still find paying our winter energy bill a challenge. This is particularly true for seniors and others on a fixed income. Talk to your utility company about a payment plan if you are falling behind on your bills. The Low Income Home Energy Assistance Program (HEAP) provides supplemental and emergency payments to help people below certain incomes pay their winter energy bills. See sidebar for contact information.



Do You Need Help Paying Your Heating Bill?

The New York State Low Income Home Energy Assistance Program (HEAP) is a program that provides financial assistance to eligible households in meeting home energy needs. Applications for eligibility determinations are taken at your county social services department. To find out where to apply, call **1-800-342-3009**.

Do You Need Help Making Your Home More Energy Efficient?

The New York State Energy Research and Development Authority (NYSERDA) administers many programs to assist New York residents and businesses in becoming more energy efficient.

NYSERDA's programs help businesses, renters and homeowners reduce their energy costs; help building owners provide energy efficient apartments; lower the impact homes have on the environment; provide training to contractors on how to provide quality energy efficiency services; and more! Call NYSERDA at **1-877-NY SMART** for more information.

Student Loans 101

One of the most challenging aspects of college is figuring out how to pay for it. Tuition costs have grown at a faster rate than both inflation and family income. Fortunately, there are savings, loan, scholarship and grant programs to help meet higher education costs.

Learn about New York's 529 College Savings Program at Comptroller DiNapoli's website, or by calling 1-877-NY SAVES. Access other programs through the New York State Higher Education Services Corporation (HESC), whose mission is to help New York families pay for college, at 1-888-NYS HESC. Focus first on savings, scholarships and grants to minimize the amount of money you have to borrow. If you do need student loans, here are some things to keep in mind:

Do not take on more debt than you need or can handle. Student loans are harder to discharge in bankruptcy than other debt, such as credit cards. Your wages may even be intercepted if you cannot pay your loans back after you graduate. Consider work study programs to keep your debt load manageable.

Work with the schools you would like to attend. Contact the admissions and financial aid offices of colleges and universities and tell them you want to minimize the use of loans. They can help you assemble a financial aid package to meet your tuition costs.

Resource Guide

You can learn more about the topics discussed in this newsletter from the following websites:

Fair Debt Collection Practices Act:

Where can I get more information about my rights related to debt collection and other credit issues?

www.ftc.gov/bcp/menus/consumer/credit/debt.shtm

Veterans' Programs and Benefits:

Where can I learn more about these programs?

www.veterans.state.ny.us or www.va.gov

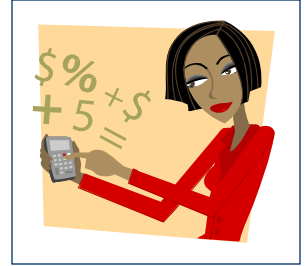
Winter Heating Bills:

Where can I learn more about HEAP assistance?

www.otda.state.ny.us/main/heap

Start with federal loans.

Apply using the Free Application for Federal Student Aid (FAFSA). The Federal Perkins Loan Program is one of the best student loans available, followed by subsidized Stafford or Direct Loans. These loans offer less expensive interest rates, meaning a lower repayment.



If you must use private loans, shop around and pay interest while in school. These interest payments will not be very high and will save you substantial repayment amounts because you will avoid rolling that interest into your loan amount.

Investigate loan forgiveness employment options. Certain employment opportunities, including some in the fields of health, legal, medical, teaching and public service, will pay for or forgive student loans in exchange for a time period commitment (often one or two years).

Avoid loan deferrals and forbearance if you can. These actions extend the length of your loan, and in the case of forbearance, increase the amount of your loan, making it harder and more expensive to pay back.

What are New York's energy efficiency programs?

www.getenergysmart.org

Where can I find more energy saving ideas?

www.energysavers.gov or www.energystar.gov

Student Loan Information:

Where can I find out about available resources?

www.hesc.com

Where can I learn about New York's 529 Program?

www.osc.state.ny.us/college/index.htm

Where can I find the Free Application for Federal Student Aid and learn more about federal programs?

<http://www.fafsa.ed.gov>

If you would like to be added to our mailing list for future editions of this newsletter, or if you have any comments or suggestions for future topics to be addressed, please let us know!

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