



New York State Comptroller Thomas P. DiNapoli

# Your Money New York

Winter 2011

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## Goal!

Comptroller Thomas P. DiNapoli has partnered with the Federation Internationale de Football Association (FIFA) and Visa to help educate young people about personal finance.

Financial Soccer is geared toward teaching children, teens and adults key concepts about saving, responsible spending, budgeting, and the wise use of credit.

To learn more about Financial Soccer, please visit  
[www.yourmoneynewyork.com](http://www.yourmoneynewyork.com)

## Message from Comptroller DiNapoli

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

The new year always brings a promise of renewal. With a new administration taking office, this year represents an especially important opportunity for New York State to put its fiscal house in order. Governor Cuomo and the members of the Legislature have expressed a shared desire to accomplish the fundamental reforms needed to resolve our chronic budget problems. I will assist in this crucial process in every way possible. By working together, we can achieve structural balance in the budget and establish a strong foundation for long-term prosperity.

At the same time, as we appreciate this hope and sense of possibility, we all recognize that individual New Yorkers are still facing very tough times. In this edition of *Your Money New York*, we outline a new State law that can ease the plight of people facing bankruptcy, and report on a fake check scam that seeks to take advantage of individuals by tricking them into thinking they won money in a sweepstakes.

Pinching pennies and stretching dollars are always important concerns for New York families, and the practical suggestions discussed in our article on the Federal Citizen Information Center's booklet, "66 Ways of Saving Money," seem especially useful in this difficult economy. *Your Money New York* is committed to helping you find the facts and resources you need to handle your money wisely.

I hope 2011 proves to be a happy, safe and prosperous year for you and your loved ones.

Sincerely,

Thomas P. DiNapoli  
State Comptroller



### New Homestead Exemption Levels

The new law increases the current \$50,000 homestead exemption to:

- \$150,000 for New York City and Nassau, Suffolk, Rockland, Westchester, and Putnam counties.
- \$125,000 for Dutchess, Orange, Albany, Columbia, Saratoga, and Ulster counties.
- \$75,000 in all other counties.

## New Bankruptcy Law in New York State

Traditionally, U.S. bankruptcy laws have allowed debtors to hold onto a certain amount of their property in order to minimize disruptions in their life and aid in their future financial recovery. In December 2010, Governor Paterson signed into law a bill that increases the size of these permitted personal property exemptions in bankruptcy and money judgments in New York State. The bill, S.7034-A/A8735-A, sponsored by Senator Schneiderman and Assemblywoman Weinstein, also allows New Yorkers to choose between the State and federal exemptions for bankruptcy exemptions, and provides a cost-of-living adjustment for the increased State exemptions.

Also known as New York's Homestead Act, this law allows a person facing bankruptcy to exempt a minimal amount of property and money from the satisfaction of a money judgment or a bankruptcy proceeding. In 1982, the federal government permitted states to set the dollar amounts of exempt property in bankruptcy proceedings. New York chose not to opt into the federal exemptions and continued its State exemptions for bankruptcy.

The new law implements four key changes:

- It increases the homestead exemption to reflect property values in the State, and establishes regional valuations.
- It increases existing personal property exemptions and adds certain new exemptions (including one cell phone, one computer, and certain health aids).
- It gives New Yorkers facing bankruptcy the option of choosing between the federal and the State exemptions.
- It establishes a cost-of-living adjustment for the New York exemptions.

Anyone who has faced bankruptcy knows it is a difficult situation, often with devastating long-term financial implications. The new law brings New York more in line with other states' exemptions. While these increases to the amount of property a person facing bankruptcy can keep may appear minimal, they could make all the difference in the world to those who are trying to regain their financial footing.

## Financial Education and Empowerment Resources

In 2003, the U.S. Congress created the Financial Literacy and Education Commission (FLEC) through the Financial Literacy and Education Improvement Act. The U.S. Department of Treasury's Office of Financial Education was directed to lend its expertise and provide primary support to the FLEC, which is composed of 22 other federal entities. FLEC has worked with member agencies to improve financial literacy and education and provide free, reliable financial information to the public through the MyMoney website, at [www.mymoney.gov](http://www.mymoney.gov), and the toll-free 1-888-MYMONEY telephone number.

The FLEC has developed a nationwide strategy for promoting financial success for individuals and families, focusing on policy, education, practice, research, and coordination in the financial literacy and education field. It identifies four goals: 1) increase access to effective financial education; 2) determine and integrate core financial competencies; 3) improve financial education infrastructure; and 4) identify, enhance, and share effective practices. To learn more, visit [www.mymoney.gov/sites/default/files/downloads/NationalStrategyBook\\_12310.pdf](http://www.mymoney.gov/sites/default/files/downloads/NationalStrategyBook_12310.pdf) or call 1-888-696-6639.



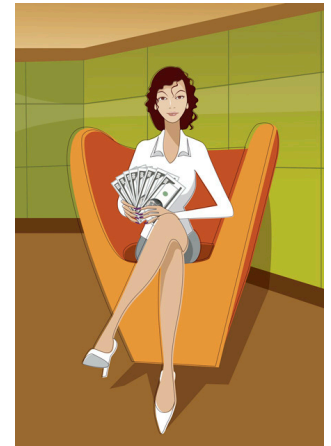
## Ways to Save Money

The Federal Citizen Information Center (FCIC) is a valuable source for answers to questions about consumer concerns and federal government programs and services. Consumers can access a broad scope of information and resources by calling toll-free 1-800-FED-INFO (1-800-333-4636), through printed publications or through FCIC's family of websites, which include [www.USA.gov](http://www.USA.gov), [www.Kids.gov](http://www.Kids.gov), [www.Pueblo.gsa.gov](http://www.Pueblo.gsa.gov), [www.ConsumerAction.gov](http://www.ConsumerAction.gov), and, for resources in Spanish, [www.GobiernoUSA.gov](http://www.GobiernoUSA.gov).

One of the FCIC's most popular publications is called "66 Ways to Save Money." This brochure includes tips and advice for saving money on traveling and transportation costs, banking, credit and insurance, utility costs, and issues related to home ownership. You can access this publication in its entirety at [www.pueblo.gsa.gov/cic\\_text/money/66ways/index.html](http://www.pueblo.gsa.gov/cic_text/money/66ways/index.html), or you can call the number above and request that a copy be mailed to you. The savings tips found in this publication include:

- **Home Loans.** You may save tens of thousands of dollars in interest costs by shopping for the shortest term mortgage you can afford and for the lowest rate mortgage with the fewest points. Check the Internet or local newspaper to compare mortgage rates, and call lenders to ask about rates, points and fees. Be aware that the interest rate on adjustable rate mortgages can vary a great deal over the life of the loan. Be sure to ask your lender what the highest possible monthly payment might be. Be cautious taking out home equity loans, as these loans reduce or eliminate the equity you have in your home.
- **Auto Loans.** Save thousands of dollars in finance charges by making as large a down payment as you can afford on the vehicle. Get the shortest term loan possible. Get a rate quote or preapproved loan from your bank or credit union before seeking dealer financing, which may be more costly. Finding the cheapest loan can save you thousands of dollars in interest costs. Consider the dollar difference between low-rate financing, and how much you will save over the life of the loan, compared to any available rebate. It may be more cost-effective to have a lower monthly payment than the upfront cash. Consider purchasing a used car from someone you know and trust to save thousands of dollars over the life of the vehicle. Be sure to have a mechanic you trust inspect the car if you are buying it "as-is."
- **Prescription Drugs.** Ask your physician or pharmacist if a less expensive generic version of your medication is available; this could provide significant savings compared to the brand name drugs. Pharmacies often charge widely different amounts for the same medications – be sure to comparison shop. You may want to consider calling mail-order pharmacies for drugs you are taking for a long time, to see if they offer lower prices.

The brochure points out that for most purchases, you can get helpful information and compare prices on the Internet. However, it warns that on many websites, the information you receive may be biased, and may reflect the views of paid advertisers. Before buying anything on the Internet, remember to comparison shop on several sites and make sure you are dealing with a reputable company. For access to additional resources that can help you reduce your energy and gasoline costs, please see the links in the Resource Guide on page four of this newsletter.



### Saving Money on Telephone Services

One of the best ways to control costs is to lower those expenses you see month after month – such as your phone bill.

- **Review your bill.** Find the cheapest calling plan to match your usage. Explore service bundles that can meet your needs.
- **Get rid of optional features you don't use.** You may be paying for services like call waiting, three-way calling or wire maintenance that you don't want or need.
- **Save money when you're away from home.** Compare per-minute rates and surcharges for cell phones, prepaid phone cards, and calling card plans to find the best value.
- **Avoid extra charges.** Dial long-distance calls directly to avoid operator fees. Look up numbers rather than using information (411).

## Comptroller DiNapoli Warns of Sweepstakes Scam

Comptroller DiNapoli recently warned residents about a sweepstakes scam involving fraudulent checks that appear to have been issued by New York State.

“These days many people could use some extra cash; this particular scam is especially shameful because it’s occurring at a time when people can be particularly vulnerable,” the Comptroller explained. “People need to remember that what sounds too good to be true all too often is. No legitimate check from the State of New York would ever be used as part of a mystery sweepstakes program. If you receive one of these fraudulent checks, you should report it to the police.”

In this fraud, scammers send potential victims a letter telling them that they have won hundreds of thousands of dollars as a sweepstakes prize from a “USA Mega” drawing that allegedly took place in August. A company calling itself Alpha Finance Services claims to have been assigned to inform winners of their prizes and to pay them off accordingly.

The letter asks individuals to contact a claims agent during daytime hours between Monday and Saturday to “activate” a phony check that has been mailed to them.



This check allegedly would cover the recipient’s tax liability that is attached to the prize winning. To activate the phony check, they are directed to send thousands of dollars of their own money to the agent.

The fraudulent letter even “cautions” recipients not to act on the notice until they’ve contacted the so-called claims agent “to avoid cases of misappropriation and mishandling of prize monies.” Included with the letter is a counterfeit New York State check for thousands of dollars.

Anyone with questions or concerns about this scam should contact local law enforcement officials or the New York State Comptroller’s office toll-free at 1-888-OSC-4555.

## Resource Guide

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

### **Your Money New York Financial Education Tools:**

Where can I go to play Financial Soccer or Financial Football?

[www.yourmoneynewyork.com/helpresource/kids/index.php](http://www.yourmoneynewyork.com/helpresource/kids/index.php)

### **Bankruptcy Assistance:**

Where can I get help if I am facing bankruptcy?

[www.nysb.uscourts.gov/](http://www.nysb.uscourts.gov/) (click on “Bankruptcy Help” tab on right side of page)

[www.ftc.gov/bcp/edu/pubs/consumer/credit/cre41.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre41.shtm)

### **Ways to Save Money:**

Where can I get tips on lowering my energy costs?

[www.energysavers.gov/seasonal/tips\\_winter.html](http://www.energysavers.gov/seasonal/tips_winter.html)

Where can I learn how to save on gasoline costs?

[www.fueleconomy.gov/feg/drive.shtml](http://www.fueleconomy.gov/feg/drive.shtml)

### **Scam and Fraud Prevention:**

Where can I learn more ways to protect myself against scams and frauds?

[www.ftc.gov/bcp/consumer.shtml](http://www.ftc.gov/bcp/consumer.shtml)

[www.nysconsumer.gov/protecting/scam\\_prevention/default.htm](http://www.nysconsumer.gov/protecting/scam_prevention/default.htm)

**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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