Jane Walstedt: And now I’d like to turn the floor over to our operator, Debbie, to remind us how to ask a question. Debbie? Debbie?, Are you there? Let me call Debbie.

Coordinator: Thank you. A coordinator will assist you momentarily.

Jane Walstedt: We’re waiting for the operator to come on and remind us how to ask a question. I'm going to try again.

Coordinator: Thank you. A coordinator will assist you momentarily.

Jane Walstedt: While we're waiting for Debbie, I just want to remind everybody that the questions… any questions will also be submitted to our Wi$e Up mentors -- our “Ask the Expert” feature on the Wi$e Up website. So hopefully if Debbie comes on, we’ll get her to let people in to ask questions.

If something goes wrong and people can’t ask questions, you can perhaps email the questions to the [email address] - the way you had to register for the call, and we’ll try to answer them. I’m not sure why we’re not getting the operator back. We seem to have a lot of glitches with this call today. I'll try once again.

Coordinator: Thank you. A coordinator will assist you momentarily.

Coordinator: Hello, Ma'am?

Jane Walstedt: Yes.
Coordinator: I'm sorry. I've been trying to get in touch with you. You’re ready to begin the question and answer session?

Jane Walstedt: Yes, we are.

Coordinator: All right. Thank you. We will now begin the question and answer session.

Jane Walstedt: Can you give instructions on how to ask a question?

Coordinator: Yes ma'am. Just a moment. Are you able to hear me now?

Jane Walstedt: Yes.

Coordinator: Okay, thank you. Yes, if you would like to ask a question, please press *1. Please unmute your phone and record your name clearly when prompted. Your name is required to introduce your question. To withdraw your request, press *2. One moment please while we wait for the first question.

Jane Walstedt: Thank you, Debbie. Do we have a question? We seem to have a problem getting Debbie back here. Sarah, while we’re waiting for Debbie to come back, would you like to ask a question?

Sarah Miller: Yes. I had a few questions for Quisaira. In your presentation you had mentioned that there was a toolbar that you can have put on your desktop, and that could tell you if any of the websites that you’re shopping on had negative reviews. Could you tell me a little bit more about that?

Quisaira Almanzar Whitney: Sure. Actually let me pull that back up because I inadvertently closed out all that information, but just give me one second here. I apologize. I closed out all that information by mistake.
Sarah Miller: Okay, when…

Jane Walstedt: Would you rather we skip to another question and come back to you?

Quisaira Almanzar Whitney: Yes, because I'm trying to find that information that I had on that, and…

Sarah Miller: If you actually send me the information, then I can put it into the transcript after…

Quisaira Almanzar Whitney: That’ll be great. Yes, I'll do that. I'll send you the information on the toolbar.

Sarah Miller: So if I'm a victim of identity theft, how do I prove that I'm a victim to someone?

Quisaira Almanzar Whitney: Yes, that’s a really good question. Applications or other transaction records recorded to the theft of your identity may help you prove that you’re a victim. For example, you may be able to show that the signature on an application is not yours. These documents also may contain information about the identity of the thief that is valuable to law enforcement to be able to identify who this thief is.

By law, companies must give you a copy of the application or other business transaction records relating to your identity theft if you submit a request in writing. So be sure that you ask the company representative whether you should mail your request. And the companies must provide these records at no charge to you within 30 days of the receipt of your request and your supporting documents.
You may also give permission to any law enforcement agency to get these records or ask in your written request that a copy of these records be sent to a particular law enforcement officer. So the company can ask you for proof of your identity, and this may be a photocopy of a government-issued ID -- the same type of information that the identity thief used to open or access the account or type of information the company usually requests from applicants or customers.

And they also may ask you for a police report or a completed affidavit, which you may be able to get through the FTC identity theft website [http://www.ftc.gov/bcp/edu/microsites/idtheft/consumers/filing-a-report.html], or you can actually just fill out the company’s own affidavit.

Jane Walstedt: Thank you. I'm going to try again to get the operator. Debbie, are you there?

Coordinator: You have a question from Herlean Younce of Cincinnati, Ohio. Ma'am, your line is open.

Herlean Younce: Hi. I was wondering if anyone knew… I know about usury rates and credit cards, that they're outrageous sometimes, but store credit cards this time of year, you notice when you go to a store, they say, “Open an account. You get 20% off your purchase,” whatever, which seems like a scam to me. But why are store credit cards allowed to charge so much more interest than a regular VISA or MasterCard?

Jane Walstedt: Do any of our speakers have an answer to that?

Liz Gorham: It depends upon the state law. In… here in South Dakota, where I am, they… we do not have a usury law, so it is deemed how the trade supports it. You know, if you can sell it at a higher price… I mean you get more income off of an APR than you can get somewhere else, then you can go ahead and use this.
And there are several states that don't have usury laws. [Usury is the charging of interest in excess of that allowed by law. See, for example, “Usury laws offer diminishing protection for credit cardholders,” www.bankrate.com/brm/news/cc/19980202.asp.]

Herlean Younce: Yes.

Jane Walstedt: And South Dakota is one of them, huh?

Liz Gorham: Oh…

Herlean Younce: How many credit cards are based in South Dakota?

Liz Gorham: It’s a biggie, as well as Delaware is another big one.

Herlean Younce: Yes. But like when you go to J.C. Penney, for instance…

Liz Gorham: Yes.

Herlean Younce: …J.C. Penney or a Lazarus or Dillard’s, a store credit card will charge you say 28, 29, 30% interest where [the interest rate on] a VISA card is based on your credit rating usually, and what you can negotiate. You go to a J.C. Penney or Sears or a department store, they charge automatically 28, 29% interest. And why is a store credit card allowed to charge so much more than a normal credit card?

Liz Gorham: It’s not that they are not allowed. I mean they have to go by state rules - state law. But probably you can get another VISA cheaper some place else. You can go online and find what other VISAs are charging, and you don’t have to go to a particular store. VISAs are put out by many different entities.
Herlean Younce: True.

Liz Gorham: Banks.

Herlean Younce: And why isn’t Discover card used as widely as VISA and MasterCard?

Liz Gorham: Because you have to pay a higher fee… the merchants have to pay a higher fee for the use of it in their store.

Jane Walstedt: I think that may be true of American Express too, because I was at a local craft fair yesterday and heard one of the craft people say that she doesn't accept American Express because they do charge the merchant more.

Liz Gorham: It’s not only that. You know, it’s more regularly you will find VISA and MasterCard used. And so those merchants probably take those two, and they don't take anything else.

Jane Walstedt: Yes.

Thomas Pritchett: I think the other factor with store credit cards is a matter of issues in the impulse situation. They are teasing you with this 20 or 30% discount, so you’re not so much concerned with what’s the best deal on my interest rate. You’re going after that discount, and that’s sort of part of the ploy of selling those.

Herlean Younce: Yes.

Liz Gorham: Of course they want to get you on their list of credit card users.

Herlean Younce: Oh, no. I'm better than that. I'm learning. Drag you kicking and screaming kind of thing, but you learn it.
Jane Walstedt: If one does open… if one does accept that, you know, the discount, it… what’s the best policy after that? Should you keep that card, should you close it after you’ve used that discount?

Liz Gorham: Well I'm guessing that one of our speakers today maybe forgot to close them. You know, I mean we often do that because we think it won't hurt. But what hurts is again that you… it’s the potential for going into debt. Not only how much debt you owe.

Jane Walstedt: Yes.

Liz Gorham: You never use that card again, then it’s still on your credit report.

Jane Walstedt: Yes. So you have to close it basically.

Liz Gorham: You should close it as soon as the… it… the bill is paid…

Jane Walstedt: Yes.

Liz Gorham: …then I would move to close it, and usually you have to close it in writing.

Jane Walstedt: Yes. Okay. Well let’s get some more questions here. Debbie, is there anybody else in line?

Coordinator: Ye, ma’am. We have Vicki Wohlers. Miss Wohlers, your line is open.

Vicki Wohlers: This question is for Tom Pritchett. It involves credit scores. You had said that you can obtain your credit score and get a free credit report each year. And you said that Equifax is the only one that gives the FICO score. You said
the other two -- Experian and TransUnion -- what did you refer to that score as?

Thomas Pritchett: They use a scouring system that’s called Vantage Score – V, A, N, T, A, G, E score. And it’s a… that’s a scoring system that their… those two credit bureaus have combined together to try to introduce as a competitive score to FICO. But it’s… 90% of your credit issuers are… use the FICO score rather than [the] Vantage score.

Vicki Wohlers: Okay. Thank you.

Jane Walstedt: Thank you. Debbie, do we have another question?

Coordinator: Not at this time.

Jane Walstedt: Okay. Well, because we’ve… Cynthia Dawkins I think might have one. Cynthia?

Cynthia Dawkins: Yes, I have one question. I’d like to ask Tom if there’s a federal agency that monitors the three major credit reporting agencies, because they seem to be at liberty to do what they want to do with your credit. And when you have to apply for a mortgage loan and other things they can, you know, these banks can just up your rate and, you know, and charge you more for a mortgage that, you know, the way they want or appears to. So I wanted to know who’s following these credit reporting agencies and who’s making sure that they have guidelines in terms of what they can do.

Thomas Pritchett: That is going to be an educated guess. My… I think the… that would probably fall under the Federal Trade Commission. And Quisaira could address that better than I could.
But they are… I mean it’s a just a standard throughout all different lending agencies that [the] FICO [score] is the accepted score. And you… if you find that your score… you feel like it’s incorrect, the… it is somewhat difficult to get it corrected. You have to go through each of… you have to write letters to each of these credit bureaus and explain to them what errors there are on your credit report and depend on them to make those changes and have your FICO score recalculated.

Jane Walstedt: Quisaira, did you have a comment on that?

Quisaira Almanzar Whitney: Oh, no. I mean I think Tom covered that.

Jane Walstedt: So FTC… does FTC regulate the credit scoring companies or not?

Quisaira Almanzar Whitney: No, we don't.

Jane Walstedt: You don't. Okay. Do states regulate them?

Quisaira Almanzar Whitney: I'm not sure who actually regulates the companies.

Jane Walstedt: If anybody. Okay. We’ll see if we can find out. And if we can, we’ll include that in the transcript. [According to the Credit Repair Organizations Act, the Federal Trade Commission regulates credit bureaus and credit repair organizations. For more information contact The Public Reference Branch, Federal Trade Commission, Washington, D.C. 20580.] Debbie, do we have anymore questions?

Coordinator: Yes ma'am. Our next question comes from Crystal Baker. Miss Baker, your line is open.
Crystal Baker: Okay, perfect. Thanks. I have a question for Thomas. This is something that I missed. You went over examples as far as your credit score and on a 30-year mortgage, and I missed the payment amount for the 760 to 850 credit score.

Thomas Pritchett: Okay. Yes, that was for the 760 to 850 [credit score]. On a 30-year mortgage you would get a rate of 5.799%, which would yield a payment of $1,760 a month on $300,000.

Crystal Baker: Okay, perfect. And then I just had one other quick question for you. And we kind of touched on this with the store credit cards. But I've heard it both ways as far as keeping your credit score high if you have a credit card or something and you do pay it off in full.

I've heard that if you keep it open, it actually looks good on your credit score because you have a balance that's, you know, you that you don't have a balance on a card. But then I've also heard that you should just close it. What do you think is the best? If you leave it open, if it doesn't…

Thomas Pritchett: Well, I think that's a double edged sword there. If you have a… if you don't have an inordinate amount of credit cards, you know, that factors in. If you have too many credit cards. But it could be… it could be a positive effect to have that credit card open, because one of the more important, more highly weighted factors is the percent of credit you’re using [compared] to the percent of credit you have available.

So if you have a credit card that you… you don't have a… too many credit cards and you have one open that you’re only using 5% of the total allowable balance [on], then that helps your credit score.

Crystal Baker: Okay, perfect. Thank you.
Jane Walstedt: Anybody else have a comment on that? Okay. Debbie, are there any other questions?

Coordinator: Yes. One moment please. Oh, I'm sorry. No questions at this time.

Jane Walstedt: Okay. Well because we were running late I think that I will in a minute turn the floor over to Cynthia Dawkins, who is on the team that plans these teleconference calls, to give us closing remarks. One other thing, Quisaira, that I wanted to ask you about or point out -- AOL, which so many people use, they ask you to update your information or renew online and enter your… I think it’s your credit card information. That always has made me uncomfortable. Do you know anything about that?

Quisaira Almanzar Whitney: You know, I don't know exactly with respect to AOL, but I know what we recommend is that you should - if you get an email like that--you do not click on the link on the email.

Jane Walstedt: Yes.

Quisaira Almanzar Whitney: What you should do is actually go directly… you type in the website that you are trying to get to…

Jane Walstedt: Yes.

Quisaira Almanzar Whitney: …because sometimes you look at the link, and it seems like it’s the AOL, but it might be off by like a letter or something, and it’ll send you to a site that’s not AOL. So you should actually just go to the… you type in the website you know, and that way you know that it’s AOL. You go into your account, log on there, and you provide your own information in there and in your secured area.
Jane Walstedt: But when they… but when that popup occurs, it… you can't get into the Internet until you respond.

Quisaira Almanzar Whitney: Oh.

Jane Walstedt: And what I did is I called the 800 number, but that’s its own nightmare.

Quisaira Almanzar Whitney: Oh, that I was not aware of.

Jane Walstedt: Yes. Well maybe I can talk to you about it separately.

Quisaira Almanzar Whitney: Sure.

Jane Walstedt: Okay well let me now turn it over to Cynthia Dawkins to close our call. Cynthia?

Coordinator: Excuse me. Ma'am?

Jane Walstedt: Yes?

Coordinator: Okay, we do have a couple of more questions, if you’d like to take them.

Jane Walstedt: All right. Let me go ahead and do that, because I know we hadn’t given an opportunity for too many people to ask questions. So go ahead.

Coordinator: Okay. Our next question comes from Harald Grieb. Mr. Grieb, your line is open.

Harald Grieb: Yes, one question, and it is about the credit reports. If you're married, then of course your wife -- in my case, my wife -- would have to have the chance also
to get three individual credit reports from these three credit bureaus. Am I correct there? And if that is the case, what would you suggest is the best? Maybe to stagger these inquiries or get them all at the same time, you know, and that’s it?

Jane Walstedt: Does she have credit in her own name?

Harald Grieb: Yes.

Jane Walstedt: Yes. Okay.

Thomas Pritchett: Yes. Each individual person has their own credit score. So if you’re married, both the husband and wife have a separate credit score, so they would be eligible to apply for the free credit report. And the free credit report is something that you're allowed to apply for once per year. And then you can choose whichever three credit bureaus that you want to use when you go to the website www.annualcreditreport.com.

Harald Grieb: But you can select each one, and so you get three reports from all these three different credit bureaus?

Thomas Pritchett: No, you actually get one report. You choose…

Harald Grieb: Oh, one report.

Thomas Pritchett: …one of the three credit bureaus.

Harald Grieb: I see. I thought maybe you could…

Jane Walstedt: You can what?
Quisaira Almanzar Whitney: Yes. You can get the actual three reports, but you can… you do not get a score….

Harald Grieb: Okay, yes.

Quisaira Almanzar Whitney: …when you do it that way.

Harald Grieb: Yes.

Quisaira Almanzar Whitney: But you can get the actual three reports, and you can see what information each one has, and, you know, see if anyone has, you know, conflicting information or inaccurate information.

Harald Grieb: Yes. And then for the score, of course, you would have to contact -- which one was it – Equifax?


Harald Grieb: …in order to get your FICO score?

Thomas Pritchett: And that’s an additional charge. They charge $6 to $8 for that. And the other two -- Experian and TransUnion -- do not publish a FICO score. They have the Vantage score.

Harald Grieb: Yes.

Jane Walstedt: Now what is it you get free, Tom?

Thomas Pritchett: The… you get free the credit report, but the credit report does not include a credit score.
Thomas Pritchett: And so you have to pay $6 to $8 extra to get the credit score, or you can go to www.myfico.com, and they… for $16 I believe it is, you get the… get a credit report and a FICO score.

Jane Walstedt: Now caller did you ask about staggering…

Harald Grieb: Yes, if it would be better, you know, like to… just so you keep a better eye on what could have happened in the meantime instead of inquiring once a year, like if you… I thought that you… maybe you could do it every four months and do it… like contact the first one like the…

Liz Gorham: Good strategy.

Harald Grieb: Yes, TransUnion…

Liz Gorham: …because then you can know… you can check your credit report more often during the year.

Harald Grieb: Yes.

Liz Gorham: You just have to have better records. You have to know that it’s… you only get one credit report from each credit bureau…

Harald Grieb: Per year.

Liz Gorham: …in a 12 month period.

Harald Grieb: Yes, I understand that. Yes.
Jane Walstedt: Okay. Thank you.

Harald Grieb: It’s just a strategy.

Jane Walstedt: You mentioned we have another question?

Coordinator: Yes ma'am. It’s from Linda Thornton. Miss Thornton, your line is open.

Linda Thornton: Yes. My question is my credit report says I have 15 credit cards. I only have four that I actually use. Do I need to close the other ones? The other ones have zero balances.

Jane Walstedt: Tom or Quisaira, do you have an answer to that?

Quisaira Almanzar Whitney: If you don't want them to show on your credit report, you need to close them. Even as long as you have an open credit line, they show the kind of revolving credit you have available to use, and then they do use that to look at your income to debt ratio [the debt-to-income ratio is the percentage of take home pay that goes to pay non-mortgage debt].

Linda Thornton: Okay. Because when I got my mortgage refinanced, by broker told me it was good that I have a lot of credit cards and I shouldn't close them, but I was thinking that from listening today that I should probably close them. How may credit cards… what’s a good amount to have?

Liz Gorham: The average nationwide is nine, but I don't think that is what we’d suggest. I think that earlier in the introductory remarks there was a suggestion of maybe two credit cards. Some people have like three -- one used for business and a couple that they use. One carries over a balance and the other one pays it off in full.
Linda Thornton: Okay, thank you. That’s very helpful.

Liz Gorham: Another thing to remember is that each of those credit cards, should you lose them, are worth $50 to you. I mean you’d have to maybe pay $50 if you… they were lost.

Linda Thornton: Okay. Okay, thank you.

Jane Walstedt: Okay, Debbie, is that the end of the questions, or are there some more?

Coordinator: Yes ma'am. That’s the end of the questions.