

**Office of the
Attorney General**

Young Adult Handbook



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State of Idaho Office of Attorney General Raúl R. Labrador

Dear Students:

Consumer fraud is a serious problem in Idaho. Every year, Idahoans lose too much money to scam artists. As your Attorney General, I am committed to vigorously fighting consumer fraud.

My Consumer Protection Division will continue to aggressively pursue law-breakers. However, informed consumers are our best defense. You can reduce consumer fraud by knowing your rights as a consumer and by making informed and intelligent decisions.

To help in this effort, my Consumer Protection Division has prepared this pamphlet. I hope you will take time to read it and learn about the topics discussed.

If you are a victim of consumer fraud, you may file a complaint with my Consumer Protection Division. An online complaint form is available on my website, www.ag.idaho.gov. To request a complaint form from the office, call toll-free (in Idaho) (800) 432-3545 or (208) 334-2424 in the Boise area. TDD service for the hearing impaired is available. We also have Language Line translation services for Idahoans who do not speak English.

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CONTRACTS

Virtually all consumer purchases are made pursuant to a contract. Sometimes the contract is oral, sometimes it is in writing. Whether you are buying a car, getting cell phone or Internet service, or renting an apartment, it will be pursuant to a contract. As a result, it is imperative that you read and understand the contract before you complete the purchase. Keep the following points in mind when you are considering any purchase:

- There is no 3-day right to cancel in Idaho. Except for telemarketing and certain door to door sales, there is no 3-day cooling off period.
- If you sign a contract, it is binding. If you break the contract, you can be sued. Your signature on a contract indicates that you have read and understood the contract -- even if you haven't.
- Protect yourself by getting a written agreement. The terms agreed on must be in the contract. Oral contracts are legally binding but difficult to enforce. You can still be legally responsible if you make an oral contract.
- The contract governs. In cases such as landlord/tenant leases, there are not many laws regulating specific details.
- Not all contracts have the word "Contract" typed across the top. Receipts, sales slips, tickets, guarantees --even parking valet stubs -- can all serve as contracts.

BEFORE YOU SIGN A CONTRACT:

- When you're making a major purchase, insist on seeing the contract well in advance of signing it. Take a copy home overnight so you have plenty of time to read and

understand it.

- Don't let the salesperson pressure you into signing.
- Don't rely on the salesperson's summary of what the contract means. Read the entire contract and make sure you understand it. If you have trouble with the language, get someone to help read it with you.
- Study the content to make sure the terms you and the seller agreed upon are included.
- Never sign a contract that contains blanks. Negotiate for terms that you are comfortable with.
- Be aware that some contracts eliminate the right to sue. Often, contracts require binding arbitration.
- If you want a clause added or deleted for your protection, write it in or ask for a manager. If the business refuses, consider taking your business elsewhere.
- Read credit applications before you sign. Don't sign if the information is not true.
- Make your signature big when you sign a contract. Sign your name large enough so that it overlaps the lines above it, so it's hard for the company to cut and paste.
- Never leave the business without a signed copy of your contract in hand.

RESOLVING PROBLEMS WITH YOUR CONTRACT:

- If you think you were misled or deceived, you can file a complaint with the Attorney General's Office.
- You can file a complaint with the Better Business Bureau at www.bbb.org.
- If you need help finding a private attorney, contact the Idaho State Bar Lawyer Referral Service at

(208) 334-4500 or visit the State Bar's website:
www.isb.idaho.gov.

BUYING A CAR

PREPARING TO SHOP

Buying a car is a major investment decision. Take the time you need to reach a decision you won't regret.

Think about:

- Your driving habits;
- What kind of car you want. Consider make, model, options, size, etc.;
- How much money you can afford to spend. If you are borrowing money to buy the car, remember you are making a long-term commitment. Consider the costs of the down payment, monthly payments, taxes, insurance, licensing and registration, fuel maintenance, and repairs; and
- The frequency and costs of repairs and maintenance. You'll find a lot of useful information about specific makes and models in auto-related magazines. You may even want to take a class in auto repair so you are well informed.

You can learn about car models, options, and prices by reading newspaper ads. The Internet is a useful source for information about buying a car, instructions for conducting a pre-purchase inspection, and ads for sales. Libraries and bookstores also have publications that compare car models, options, and costs, and offer information about frequency-of-repair records, safety tests, and mileage. Many of these publications have details on the "do's and don'ts" of buying a car.

Decide what kind of car best suits your needs. Be prepared to stick with your decision. There's a good chance a salesperson will try to persuade you to buy a different car because the salesperson thinks it is a "good deal."

Find out which dealers are reliable and have ethical business practices. A good way to know is to talk to your parents or friends about their car buying experiences. Know what factory-to-dealer incentives and rebates are available. If you are considering trading in your car, be sure you know its fair market value.

FINANCIAL PLANNING

Decide what you can afford before you start shopping and stick to it. Plan for all of the costs of owning a car, not just the monthly payment.

Insurance - Idaho law requires that you carry liability insurance on your car. Spend as much time shopping for insurance as you do shopping for the car. You'll probably save a significant amount of money.

Government Costs - When you purchase a car, you are required to pay state taxes, licensing, and registration fees.

Dealer Fees - Many dealers also charge a "dealer documentation" fee for paperwork preparation. Dealer documentation fees are not required by law. These fees vary from dealer to dealer and are negotiable. It is unlawful for a dealer to charge such fees if they have not been clearly and conspicuously disclosed in connection with the advertised price. It is also unlawful for a dealer to represent that such fees are mandated by the government.

NEGOTIATING “THE DEAL”

Negotiate the purchase price, trade-in, and financing separately. These are three separate transactions.

Be certain you know the true price of the car before you discuss trade-in values and credit terms.

Answer the following questions before signing anything:

- Are you paying a fair price for this car?
- Are you paying more than the advertised price?
- Are all agreements with the dealer in writing? All documents included in your contract should be made available to you to read and verify thoroughly before you sign them.

Read the entire contract and make sure you understand what you are signing before you sign.

PAYMENT OPTIONS

You have two choices: pay in full or finance over time.

If you finance, you will pay more for the car. That’s because you are also paying for the cost of credit, which includes interest and other loan costs.

If your budget is tight, you may want to consider paying cash for a less expensive car.

Buying a Car on Credit

If you decide to finance, you’ll have to decide how much money you have for a down payment, your monthly payments, the length of the loan, and the annual percentage rate (APR). Annual percentage rates usually are higher and loan periods

generally are shorter on used cars than on new ones.

A prospective lender will review your credit history contained in a credit report before deciding whether to make you a loan. Make sure your income and assets are correctly recorded and reported on your credit report. It is a good idea to look at your credit report to make sure it is accurate and complete before you apply for a loan. You can receive free copies of your credit reports once a year from any of the national credit reporting agencies.

The annual free reports are available only through a centralized source set up by the three credit reporting agencies. If you contact the companies directly, you will be charged for your report.

Please note that when you apply for your free credit report, the credit reporting agencies will likely attempt to sell you upgraded services for a fee. You are under no obligation to purchase any upgraded services; instead, you may simply say no to these options and receive only your free report.

To obtain a free report:

- Call (877) 322-8228;
- Order online at www.annualcreditreport.com; or
- Complete the Annual Credit Report Request Form, available at www.ftc.gov, and mail it to:

Annual Credit Report Request Service
PO Box 105281
Atlanta, GA 30348-5281

In order to obtain the credit report, you will be asked for identifying information, including your Social Security number. Providing this information will ensure that credit reporting agencies send you your credit report.

Shopping for the Loan

Dealers and lenders offer a variety of loan terms and payment schedules. Shop around. Compare offers. Negotiate the best deal you can.

Be cautious about advertisements offering financing to “first-time buyers” or people with “bad credit.” These offers often require a big down payment and come with a high interest rate (APR).

If you agree to a loan that carries a high APR, you may be taking a big risk. You may get into a situation where you owe more for the car than the car is worth. This is sometimes referred to as being “upside down” on a loan. If you decide to sell the car before the loan is fully repaid, you may get far less money from the sale than you owe on the loan. If the car is repossessed or totaled in an accident, you may have to pay a large amount to pay off the loan, even after the money from the sale of the car or the insurance payment is subtracted.

You may be offered gap insurance for the loan. If your vehicle is totaled in an accident, gap insurance can help pay the difference between the car’s actual value and what you owe on the loan. However, gap insurance is not required by law. You must decide whether it is worth the expense.

Understanding the Loan

If you decide to finance, make sure you understand the following parts of the loan agreement before you sign anything:

- The exact price you’re paying for the car;
- The amount you’re financing;
- The finance charge (the dollar amount the credit will cost you);

- The APR (the cost of credit, expressed as a yearly percentage rate);
- The number and amount of payments; and
- The total sales price (the amount of the monthly payments plus the down payment).

If you encounter financial difficulties in making your car payment, contact your creditor. It's a good idea to talk to them before missing a payment or making a late payment, as you may be able to negotiate a different payment plan. Repossession may occur if you fail to make timely payments.

USED CAR CONSIDERATIONS

USED CAR DEALERS

You can buy a used car from several sources, such as franchise and independent dealers, rental car companies, leasing companies, used car superstores, or the Internet.

Some dealers attract customers by advertising “no-haggle prices,” “factory certified” used cars, and better warranties. Consider the dealer's reputation when you see or read these ads.

BEFORE YOU SHOP

Before you begin shopping for a used car, ask yourself:

- Which mechanic will inspect the car before you buy it?
- Are there car dealerships that are not trustworthy? Before you buy, check with the Better Business Bureau and the Attorney General's Consumer Protection Division to see if there are complaints against the dealer.

- Which dealers are known for good customer service after the sale? Ask for recommendations from friends who have purchased a used car.

WHILE SHOPPING

As you shop for a used car, ask the dealer:

- What is the total price of the car? Sometimes, dealers advertise only the monthly payment. Get to the bottom line.
- Has the car been salvaged? Ask to see the title of the car. If the car has been salvaged, the car's title should indicate this.
- Has the car been in an accident? What is the car's maintenance history? Consider contacting a company that provides maintenance and/or accident records for used cars. Several such companies provide this service over the Internet. (Search under the key phrase "vehicle history report.") You may have to pay a fee for a history report, and you may need to supply additional information, such as a Vehicle Identification Number (VIN).
- Is the car still under the manufacturer's written warranty? There is a difference between the manufacturer's warranty and a dealer's "limited" warranty.
- When may your mechanic inspect the car?

BEFORE YOU BUY

Whether you buy a used car from a dealer, a co-worker, or a neighbor, follow these tips to learn as much as you can about the car:

- Examine the car yourself using an inspection checklist. You can find a checklist in many magazine articles, books, and Internet sites that deal with buying a used car.
- Test drive the car under different road conditions: on hills, highways, and in stop-and-go traffic.
- Ask for the car's maintenance records. If the owner doesn't have copies, contact the dealership or repair shop where most of the work was done. They may agree to share their files with you.
- Talk to the previous owner, especially if the present owner is unfamiliar with the car's history.
- Have the car inspected by a mechanic you choose.

After your mechanic checks the car and you've spent at least one evening thinking about the purchase, you should have a good idea if this car will meet your needs.

Before signing any documents, make sure you have a copy of the Buyer's Guide (see below) that was posted on the car. Do not sign anything you do not understand. Ask questions or take the contract to someone who can help clarify it for you. Remember, you cannot return a car after you purchase it!

THE USED CAR "BUYER'S GUIDE"

The Federal Trade Commission's Used Car Rule requires a Buyer's Guide on the window of each used car offered for sale by a dealer. This Buyer's Guide will help you learn more about the specific car you are considering.

"As Is" – No Warranty

When a dealer offers a car "as is," the box next to the "As Is - No Warranty" disclosure on the Buyer's Guide must be checked. If the box is checked, but the dealer promises to

repair the car or cancel the sale if you're not satisfied, make sure the promise is written on the Buyer's Guide. Otherwise, you may have a hard time getting the dealer to make good on his word.

Dealer Identification and Consumer Complaint Information

The back of the Buyer's Guide lists the name and address of the dealership. It also includes the name and telephone number of the person you should contact at the dealership if you have problems or complaints after the sale.

Optional Signature Line

The dealer may include a buyer's signature line at the bottom of the Buyer's Guide. If the line is included, the following statement must be written or printed close to it: "I hereby acknowledge receipt of the Buyer's Guide at the closing of this sale." Your signature simply means you received the Buyer's Guide at closing. It does not mean that the dealer complied with the rules or other requirements, such as posting a Buyer's Guide in all the cars offered for sale.

Tips from the Buyer's Guide

- Get all promises in writing. Verbal promises are difficult to enforce.
- Determine whether the car comes with a warranty or is being sold "As Is," without a warranty. If the car comes "As Is", that is exactly what it means - "As Is" comes without guarantee or warranty.
- If the car does come with a warranty, what specific warranty protection will the dealer provide?
- Determine what major problems a used car could develop.

- Keep a copy of the original Buyer's Guide for your records.

SERVICE CONTRACTS

Like a warranty, a service contract provides repair and/or maintenance for a specific period. Warranties are included in the price of a product. Service contracts cost extra money and are sold separately.

Before buying a service contract, make sure the insurance company or companies responsible for paying out on the contract are reputable. These companies can go bankrupt without warning, leaving you with a worthless contract.

You also should read closely the contract's terms and conditions and what repairs the contract covers.

BUYING A USED CAR FROM A PRIVATE PARTY

An alternative to buying from a dealer is buying from an individual. Buying a car from a person is different from buying a car from a dealer because individuals aren't required to provide a Buyer's Guide or even a written contract. Sellers don't provide financing and usually want payment in cash or with a certified check.

You are taking a risk in buying from a private party because, after you pay for the car, the seller might disappear without giving you the car or providing a clear title. If you buy a car from a person operating on the Internet, never send the money before you receive the car. You can have an on-line escrow service hold your money and, once you get the car, the escrow service will release your money to the seller.

TIPS FOR CAR BUYERS

- Research. Ask questions. Comparison shop. Know the market.
- Insist that all claims, promises, and warranties be in writing.
- Never sign anything you have not read or do not understand.
- Think about the deal for 24 hours BEFORE you buy. You do NOT have the option of changing your mind after you make a major purchase or sign a contract.
- Do not be intimidated by high-pressure sales tactics. You can always go somewhere else.
- Know where to get help. Check with your local Better Business Bureau or the Attorney General's Office.

NO “COOLING OFF” PERIOD

Idaho dealers are not required by law to give car buyers a 3-day right to cancel. The right to return the car in a few days for a refund exists only if the dealer grants this privilege to buyers. Dealers may describe the right to cancel as a “cooling-off” period, a money-back guarantee, or a “no questions asked” return policy. Before you purchase from a dealer, ask about the dealer’s return policy, get it in writing, and read it carefully.

REMEMBER: There is no cooling off period that applies to the purchase of a car. As soon as you sign the contract, the car is yours.

IDAHO’S LEMON LAW

Idaho’s Lemon Law applies to a car purchase only if the car fits the following criteria:

- It was purchased or licensed in the state of Idaho.
- It is subject to an applicable manufacturer's written warranty.
- It has less than 24,000 miles, OR it has been less than two years from the date of delivery.
- It weighs 12,000 lbs. or less.

The Lemon Law does **not** include motorcycles, farm tractors, trailers or ATVs.

The Lemon Law does not protect you from a dealer's false statements or misrepresentations, any inability on your part to make the car's payments, or if you simply change your mind and no longer want the vehicle.

The Attorney General's Office publishes a booklet about Idaho's Lemon Law. To obtain a copy, visit the Attorney General's website (www.ag.idaho.gov) or contact the Attorney General's Consumer Protection Division at (208) 334-2424 or, toll-free, (800) 432-3545.

CAR REPAIR AND SERVICE

Choosing a Mechanic or Repair Shop

- Find a mechanic you trust before you have a problem with your car.
- Ask friends and family members to recommend a good mechanic or repair shop.
- Check with the Better Business Bureau and the Attorney General's Consumer Protection Division for information about the business practices and complaint records of repair shops you are considering.
- Find out if the repair shop is capable of performing the repairs needed. What kind of certification or training does the mechanic have? Is the certification or training

current? Remember, not all mechanics have taken specific training to become certified. Idaho law does not require that mechanics be certified.

Written Estimates

- Always get and keep a signed, written cost estimate before any work is done. Make sure the estimate specifically identifies the condition to be repaired, the parts needed, the anticipated cost of the parts, and the anticipated labor charge.
- Make sure the estimate states that the shop will contact you for approval before performing any work exceeding the amount of time or money you have authorized.
- A repair shop may charge you for a pre-repair estimate. Before you leave your car with the repair shop, ask if there is a charge for the estimate and find out the amount of the charge.
- Before authorizing any work, ask what cost method the shop uses. Some shops charge a flat rate for labor on auto repairs. The flat rate is based on an independent or manufacturer's estimate of the time required to complete repairs. Other shops charge for the actual time the technician worked on the repair.
- Whenever possible, get a second opinion and a second estimate regarding the needed repairs. Ask if there will be a diagnostic charge if you decide to have the work performed elsewhere. Many repair shops charge for diagnostic time.
- Keep receipts, sales slips, and warranties for as long as you own the car.

Resolving a Dispute

- Keep copies of all written materials you receive, such as bills and estimates.
- Write down your experiences, dates, times, expenses, and the names of people with whom you dealt.
- When repairs are finished, get a completed repair order describing the work done. This should list each repair, all parts supplied, the cost of each part, and labor charges.
- Be prepared to take action if something goes wrong. Keep records of all transactions.

If there is a dispute over a repair or charge, try to settle the problem with the shop manager or owner. Check with the local Better Business Bureau and the Attorney General's Consumer Protection Division for assistance.

CREDIT CARDS

The Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act) provides the following specific protections to young adults.

- Credit card companies cannot extend credit to a person under age 21 unless he or she has a cosigner who is over age 21 or the person has an independent source of income that he or she can use to repay the debt.
- To stop prescreened credit offers from credit card companies, credit bureaus cannot give credit reports of young adults to credit card companies unless the young adult consents.
- Credit card companies cannot offer tangible items, such as t-shirts, to students on college campuses or at college-sponsored events to encourage students to apply for credit cards.

- Credit card companies and colleges must disclose their agreements to market and distribute credit cards to students.

The Consumer Financial Protection Bureau (CFPB) enforces the CARD Act. To get additional information about the CARD Act, visit the CFPB's website at www.consumerfinance.gov.

CHOOSING YOUR FIRST CREDIT CARD

Before choosing a credit card, carefully consider:

Your Income - Do you have a steady job or income? You must have an income in order to pay for purchases you made on credit. Failure to pay for credit will lead to heavy debt and, eventually, bankruptcy.

Your Motive - Why are you getting a credit card? Is it to build a good credit record, for the convenience of credit, or to be able to make spontaneous purchases when you do not have cash?

After considering these factors, if you decide you are ready for a credit card, choose carefully. Credit card companies offer many different plans. In order to choose the card that will best meet your needs, there are many things to consider.

Annual Percentage Rate (APR)

The APR measures the cost of credit on an annual basis. It includes the interest rate, service charge, loan fees, and various other costs. Usually, the lower the APR, the lower the cost of credit. Using the APR may be the easiest way to compare costs among credit cards.

Annual Fees

Some credit card companies charge an annual fee regardless of whether you make any charges on your credit card. Others never charge annual fees. However, cards that charge no annual fee may charge a higher APR. Consequently, you should consider the credit card's APR when deciding whether to obtain a card with or without an annual fee.

Grace Periods

A grace period allows you to avoid finance charges by paying your bill before the due date shown on your statement. If you are not given a grace period, you pay finance charges from the day you make the charge until the day you pay it off. Some credit card companies offer grace periods from 21 to 30 days, while others offer none.

Other Charges

Be sure to find out if and how much you will be charged for things such as paying your bill late or charging more than your credit limit. Such fees can be substantial.

USING A CREDIT CARD

Using a credit card can be a positive experience if you know your responsibilities as a cardholder. When you have a credit card, you should:

- Sign your credit card in ink as soon as it arrives.
- Keep a record of your card number, its expiration date, and the phone number and address of the card company in a safe place separate from your wallet.
- Never lend your card to anyone.
- Never leave your card or receipts lying around.

- Keep all receipts in a safe place.
- Destroy all carbons and incorrect receipts at the time of purchase.
- Never give your card number over the phone unless you initiated the call and you are certain the company or organization is highly reputable.
- Never sign a blank receipt.
- Draw a line through blank spaces on charge slips above the total so the amount cannot be changed.
- Open billing statements promptly and compare them with receipts you have saved.
- Promptly write to the credit card issuer if any questionable charges appear on your statement. In the case of fraud or disputes with a seller, you have 60 days to challenge the credit card purchase.

LOST OR STOLEN CREDIT CARD

Call the card issuer as soon as you notice your card has been lost or stolen. Most companies' monthly statements contain a toll-free phone number to use when reporting a lost or stolen card. Write down the name of the person you spoke to at the credit card company.

Write a letter to the card issuer. The letter should include: your name, your card number, the date you noticed the card missing, and the date you phoned the issuer to report your card missing. Keep a copy of this letter for your files.

If you report your card missing before it is used without authorization, you may not be responsible for the unauthorized charges. (If your credit card **is** used without authorization before you report it missing, the most you will be liable to pay is \$50.)

MISTAKES ON YOUR BILL

Always check your credit card bill promptly and carefully. If you see a billing or order error, directly contact the business where you made the purchase. Follow these steps in doing so:

- Be prepared – Have everything ready to help you better explain the problem.
- Speak to a person in authority. Make a note of his/her name and be polite but firm.
- Clearly state the problem and how you would like to see it resolved.
- Take notes of what was agreed upon and close the call or visit with a restatement of the agreement.
- If you are able to resolve the problem over the telephone, write a letter to the business to confirm the conversation and the substance of any agreement. Keep a copy of the letter for your records.
- Send the letter certified mail, return receipt requested.

If you cannot resolve a dispute by telephone, send a letter to the credit card company at the “billing error address” on your monthly statement or credit contract. Include in the letter: your name, account number, the date, the dollar amount of the charge in question, and why you think there is a mistake.

The credit card company must let you know that it received your letter. It also must tell you that it corrected the mistake or explain why the company believes the bill is correct.

Even if there is a billing mistake, make sure to pay the charges on your credit card bill that are NOT in question.

CREDIT CARD PURCHASES NOT RECEIVED AND/OR DEFECTIVE MERCHANDISE

The federal Fair Credit Billing Act protects you if the items you purchased by credit card are not received or are defective. You do not have to pay the credit card bill for the charge in dispute, provided that three conditions are met:

- You must have made a good faith attempt to resolve the matter with the merchant by disputing the charges in a timely manner.
- The amount of the charge must exceed \$50.
- The transaction must have occurred in the same state as your current address or within 100 miles of that address. (For purposes of Internet and mail purchases made over the telephone, you are deemed to have made the purchase at your home.)

You should notify the credit card issuer in writing within 60 days of the date you receive the statement that includes the disputed charge. Keep a copy of your letter for your records. Send the original letter certified mail, return receipt requested.

Even if your transaction does not meet the conditions described above, your letter should ask the credit card company to credit the disputed amount to your account. The issuer may have agreements with other businesses that give you additional rights.

It is important to note that if you pay a disputed charge, you give up your right to assert a claim or defense to the credit card issuer.

If your contact with the business has been unsuccessful, you can file a complaint with the Consumer Protection Division at www.ag.idaho.gov.

- You may also want to contact the Better Business Bureau at www.bbb.org or by calling your local BBB: Southwest Idaho (208) 342-4649, Northern Idaho (509) 455-4200, Eastern Idaho (208) 523-9754.
- If you need help finding a private attorney, contact the Idaho State Bar Lawyer Referral Service at (208) 334-4500 or visit the State Bar's website: www.isb.idaho.gov.

EARLY TERMINATION FEES

Every once in a while, you may do business with a company that charges an “early termination fee.” Health clubs and gyms, cell phone providers, cable and satellite TV providers, and Internet service providers often charge this fee if you discontinue your service before the end of the contract period.

Before you sign a contract with one of these businesses, remember that the contract is binding and generally governs if there is a problem “down the road.” You may be sued if you break the contract. Your signature on the contract means that you have read and understood the agreement. Before signing, ask yourself if the fees are reasonable. If you don’t think so, don’t sign it.

READ THE FINE PRINT AND ASK QUESTIONS

Ask questions about possible penalties for early termination of the contract (if you move out of the area); if the contract is automatically renewed or extended when equipment is upgraded; and if the contract is automatically renewed or extended when faulty or inadequate equipment is replaced. Also, make sure you determine whether your contract has a “negative option” plan. In other words, will the contract automatically renew if YOU fail to cancel with the business prior to the end of the service term. Do not be lured into signing a contract with the promise of “FREE” equipment or

services. More often than not there is a catch in such a contract. That catch could be a long-term (2-year) contract. Finally, when considering a contract with a cell phone provider, ask whether you will incur an early termination fee from BOTH the service provider and the phone dealer.

CELL PHONES

Recently, the cell phone industry has become more consumer friendly. Always ask a cell phone carrier if you may switch plans during the term of a contract without incurring a penalty. Many carriers allow the consumer to do this, and it may save you some money. Also, ask if the carrier prorates the early termination fee or, in other words, reduces the early termination fee every month the contract is in place, if you decide to drop service or change providers DURING the term of the contract.

YOUR RIGHTS AS A CONSUMER

Gyms or health clubs may allow early cancellation of a contract if you develop a medical condition or sustain an injury. This may require a doctor's written statement regarding your physical condition.

Likewise, cell phone providers may grant early cancellation of a contract if you move out of the service area. You may have to document the new address.

Finally, BEFORE you sign the contract, you have the final "say." If you feel pressured to sign, walk away and "sleep" on the offer.

SCHOLARSHIPS

Searching for scholarships can be a long and confusing job. Sometimes, students pay scholarship search services for help.

However, the same information is often available free from local sources.

FREE SERVICES

High School Guidance Counselors

Counselors regularly receive information, applications, and guidelines for scholarships. Check with your counselors periodically to see what new information they have received.

High School Libraries or Career Centers

Librarians and career center staff can point you to books, brochures, or other sources containing information about scholarships.

College Financial Aid Offices

Check with the colleges you are interested in attending. Many colleges offer scholarships based on test scores, extra-curricular activities, or need. Contact the school's financial aid officers, coaches, and department heads. Ask if there is financial aid for which you may qualify.

Public Libraries

Most public libraries have books containing scholarship information, as well as addresses and phone numbers for colleges.

COMMERCIAL SCHOLARSHIP SERVICES

If you decide to use a scholarship search service that requires a fee, make sure you get what you pay for.

A scholarship search service does not actually give you scholarships; rather, it provides you with a list of scholarships

for which you might be eligible. Some students have been surprised to find out they paid for a list of scholarships that were strictly for people of another race, religion, or age. Students have also complained of receiving information on loans or summer programs when they thought they were purchasing information on scholarships.

Many students found the information they purchased to be outdated and inaccurate. They also complained of receiving information too late to meet the scholarship deadlines.

Research Refund Requirements

Do not assume scholarship services are “risk free” because they offer a money-back guarantee.

Before you buy:

- Ask if the service will refund your money if the list is inaccurate.
- Ask if the service offers a partial or complete refund.
- Ask if the service will refund your money if the list does not meet your needs.
- Ask if the service will refund your money if the list is received too late to meet application deadlines.
- Ask if “proof of rejection” by every source on the list must be shown before the service will issue a refund.

MERCHANDISE CLUBS

A merchandise club may seem like a great savings because of the “free” or “discounted” products you will receive. However, you should consider the total cost of the plan, including the requirements to purchase regular priced items. You should compare the regular priced items of several different clubs.

NEGATIVE OPTIONS

A negative option plan is one in which the business sends you merchandise (e.g., shoes, makeup, healthcare products), and you must notify the business if you do not want to keep and pay for the merchandise.

Contract terms and cancellation information must be clearly explained before any agreement is made either by telephone, in writing, or on the Internet.

Consider the following information before subscribing to a negative option plan:

Signing Up - After you sign up for a club offer, you will receive its products and mailings. The club may offer free or inexpensive merchandise to entice you to join. Be sure to read the offer carefully, as club offers vary from ad to ad. When dealing with Internet clubs, be sure to review the club membership policies, privacy policies, and cancellation policies. Make certain the on-line company you are doing business with provides a secure site for your credit card safety.

Additional Purchase Requirements - After receiving the “free” or “reduced price” items, you may have to purchase several other products at the club’s regular price within a specific time period.

Shipping & Handling - Shipping costs and handling fees must also be included in the cost of the merchandise you order. Some plans assess the shipping and handling fees per item, not per order, which may increase the total cost considerably.

If you subscribe, keep dated copies of all forms you receive and copies of any “negative option” forms you return to the

seller. This information may prove valuable if there is a dispute.

RETURNING THE FORM

You may receive frequent advertisements of the club's latest offers by mail or via e-mail. If you are not interested in the selection, make sure you communicate that to the club; otherwise, the selection will be sent automatically. The club must inform you of at least two methods by which you can cancel the goods or services, one of which has to be expense-free to you.

CANCELING MEMBERSHIP

You must fulfill all the requirements of the agreement before you may cancel your club membership. Once you have fulfilled the club requirements and want to terminate your club membership, it is best to do so in writing. Keep a copy of the cancellation letter for your files. Send the letter to the company by certified mail, return receipt requested. The receipt is your proof that the club received your cancellation request.

SHOPPING ONLINE

USE A SECURE BROWSER

A browser is the software you use to explore the Internet. Your browser should comply with industry security standards, such as Secure Electronic Transaction (SET). These standards encrypt or scramble the purchase information you send over the Internet, ensuring the security of your transaction. Most computers come with a secure browser already installed.

You can determine whether your browser is secure from your web browser window. Select the "HELP" menu option and then select "ABOUT." The information pop-up window will

display the encryption or cipher level.

SHOP WITH COMPANIES YOU KNOW

Anyone can set up a business under almost any name on the Internet. If you are not familiar with a business, look for a physical address, a phone number and an e-mail address. Contact the business and ask for a brochure or catalog of merchandise and services. Request a copy of the business's refund and return policy. Contact the Better Business Bureau and the consumer protection agency in the business's home state to find out what kind of track record the business has. Check with the home state's Secretary of State to see if the business is registered. If you are purchasing an item from an Internet auction, check the seller's feedback rating.

Before you make a purchase, make sure that you know what you are paying for. Review the description, price information, and any limitations on purchases. For example, goods may not be available for delivery outside of the country; there may be minimum quantities that must be ordered; etc. If possible, compare the description to an actual physical model of the same item.

Review the fine print and look for words such as "refurbished," "close-out," "discontinued" or "off-brand."

Check whether the price is listed in U.S. dollars or another currency. Review the requirements for taxes or duty on purchases, as well as postage costs and shipping and handling charges.

Review the company's privacy policy. The policy should state what information is collected, how it will be used, and whether the information will be shared with others.

If you have questions about the item or any of the charges or policies, e-mail or phone the seller.

Be wary of “free trial” offers. By requesting the trial sample, you may be entering into a long-term commitment, including monthly shipments of additional product and automatic charges to your account. Don’t provide your credit card or bank account information to receive a “free trial” sample. If it’s truly a free offer, the business does not need your account information.

INTERNET AUCTION SITES

Shopping on an auction site does not protect you from fraud. In fact, some auction sites may be wholly fraudulent. Shop only on sites that you know or can verify are legitimate.

When shopping on an auction site, you should always understand and follow the site’s guidelines. Going outside the site to pay for a purchase puts you at greater risk of fraud and loss of money. Some sellers or buyers will offer to deal with you directly through your e-mail, for example, claiming that your bid won a “second chance” offer. This is a tactic often used by scammers as an attempt to lure you away from the site’s protection guarantees.

Be especially cautious of buyers and sellers outside of the United States. Much of the fraud reported on these sites occurs with foreign transactions. If you lose money in an Internet scam, you will have practically no chance of getting it back, especially if the seller is in a different country.

If you have a dispute with an auction site purchase, contact the seller through the auction site’s system. Don’t communicate “off-site” or by direct e-mail. If you are not satisfied with the seller’s response, use the auction site’s dispute process. Be sure to act within the site’s allowed timeframe. Don’t let the

seller delay until the dispute deadline has passed. If you pay with a credit card, you may also be able to dispute charges with your credit card company.

When purchasing over the Internet, be sure to keep a printed copy of your purchase order, receipt, or confirmation number. Internet sellers commonly provide tracking numbers. You will usually receive a tracking number by e-mail. Save e-mail messages, receipts and tracking numbers until your merchandise arrives and you are satisfied with it. In addition, request the seller's physical mailing address, telephone number, and a copy of its refund and return policies. A paper trail will help ensure quicker and easier resolutions.

The Federal Mail or Telephone Order Merchandise Rule covers purchases made over the Internet. Unless otherwise indicated this rule requires:

- The Merchandise must be shipped within 30 days of a completed order.
- The company must notify you if the merchandise cannot be delivered within that time frame and give you a revised shipping date and the opportunity to cancel for a full refund or accept the new shipping date.

LANDLORD AND TENANT GUIDELINES

RENTAL AGREEMENTS

Written Rental Agreements

The written rental agreement between the landlord and the tenant is an important legal document. You should read and make sure you understand this agreement before signing it. You should not rely on oral statements that are contrary to the terms of the written rental agreement. If the rental agreement

is for a period of a year or more, it must be in writing.

Oral Rental Agreements

Even if you have not entered into a written rental agreement, a valid oral rental agreement may exist.

Most oral agreements are more casual than written agreements.

A month-to-month tenancy can run from any specific day of the month to one day earlier of the following month. For example, the rental period might run from the 15th day of one month to the 14th day of the next month.

LEGAL RIGHTS AND RESPONSIBILITIES OF LANDLORDS AND TENANTS

Idaho law gives you, as a renter, certain rights, while also requiring you to perform certain duties.

Possession

Your basic right is the right to possess the property during the existence of the rental agreement. When a rental agreement expires, the landlord has the right to have the property returned. If you violate the terms of the rental agreement, such as failing to pay rent, the landlord can take steps to evict you.

Entry by the Landlord

The rental agreement should reserve to the landlord the right to enter the property to make repairs, to inspect for damage, to show the property to prospective purchasers, and to show the property to prospective tenants near the end of the lease, as long as such entry is at a reasonable time and is done in a reasonable manner.

If the rental agreement does not address the landlord's right to enter the premises, the landlord should notify you as to the necessity of entry, requesting permission to enter in a reasonable manner.

Security Deposits

A landlord can require you to pay a security deposit, which covers expenses other than rent. If the security deposit can be used for rent, the rental agreement and/or the deposit receipt should indicate this. The security deposit cannot be used to cover normal wear and tear.

If a landlord uses a security deposit, the landlord must give you a signed statement describing how the money was used. The statement and the remainder of the security deposit, if any, or the full deposit, must be given to you within 21 days after you surrender the premises. If both you and the landlord have previously agreed, this period can be extended up to 30 days, but no longer.

If the landlord refuses to comply with the requirements concerning a security deposit, you must first give the landlord written notice of the violation and demand compliance. The landlord must be allowed three (3) days to refund the deposit or provide the necessary statement. If the landlord does not comply, you can file a lawsuit to require the landlord to refund the security deposit.

Care of the Premises

You have the responsibility of safeguarding the rental property and making sure that damage does not occur. You are responsible and may be required to compensate the landlord for any damage that occurs due to your own negligence or that of your family members or guests. The landlord must provide reasonable waterproofing and weather

protection and provide premises that are safe and healthy. A landlord also must install approved smoke detectors. A landlord, who provides electrical, plumbing, heating, ventilating, cooling, or sanitary facilities, must maintain them in good working order.

Tenant's Property

When the rental agreement expires, you have a right to remove your personal property as long as the removal of such property does not damage the premises.

If you leave property of value behind after vacating the premises, the landlord has no right to dispose of your property immediately. Rather, the landlord must safeguard the property until you reclaim it or the landlord disposes of it under Idaho's abandoned or unclaimed property laws.

Payment of Rent

The landlord has a right to receive payment of rent as agreed. If you do not pay the rent as required by the rental agreement, the landlord can sue you to obtain possession of the property, obtain damages incurred as a result of failure to pay rent, or both.

Rent Increases

Rent can be increased only after the tenant receives proper notice. In a month-to-month tenancy, the landlord must give you at least 15 days before the end of the period and 15 days before the effective date of the rent increase.

Changes in the Terms of the Rental Agreement

The terms of a rental agreement for a specified time (for example, a six-month lease) cannot be changed unless you and the landlord both agree to the proposed changes. Such

changes should be made in writing as a change to the agreement or as an entirely new rental agreement.

In a month-to-month tenancy, the landlord may change the terms of the rental agreement by giving you written notice of the changes at least 15 days before the end of the period and 15 days before the changes become effective.

Termination

When a rental agreement is for a specified time, no legal right exists to terminate it before the expiration of the agreement.

Generally, a periodic tenancy, such as a month-to-month tenancy, can be terminated by either you or the landlord upon one month's advance written notice to the other party. If you fail to provide the required notice before moving, the landlord has a right to recover damages from you, which is usually the rent due for the period the apartment is vacant.

Tenant's Remedies

You may not stop paying rent if the landlord does not maintain the premises.

To require the landlord to provide the necessary services, you must first give the landlord written notice, listing each violation, and demanding that the violations be cured. A copy of this notice must be delivered to the landlord or agent personally or be mailed to the landlord. You must allow the landlord three (3) days to cure the violation. If the landlord does not comply, you can sue the landlord to cure the violations. The lawsuit must proceed quickly. A hearing must be held within 12 days after the lawsuit is filed, unless you request a later date. The landlord must receive a copy of the summons and the complaint at least five (5) days before the hearing. If you win, the judge will order the landlord to fix

the problems and may order the landlord to pay court costs and your attorney fees.

For more information about Idaho's landlord and tenant laws, please review the Attorney General's publication *Landlord and Tenant Guidelines*. You can find it on the Attorney General's website at www.ag.idaho.gov. We can mail you a printed booklet on request. Call the Attorney General's Consumer Protection Division at (208) 334-2424 or, toll-free, (800) 432-3545.

Funds collected by the Attorney General's Consumer Protection Division as the result of enforcement actions paid for this pamphlet. No tax monies were used.

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