

Spotlight *On Finance*

Summer 2014

Tennessee Department of Financial Institutions

SUMMERTIME SAVING TIPS

Summertime can pack a punch on your wallet and easily affect your budget. Consider some of these tips to maximize your savings whether you are at home or on vacation.

Vacation:

- If flying, compare airlines for competitive packages and rates.
- Pack lightly to avoid additional airline baggage costs.
- Traveling during the week can sometimes be cheaper than weekend travel.
- Consider a “staycation” or more local attractions to minimize travel costs.
- Research the “free” attractions of the area you are visiting. (State parks, city fountains, hiking trails, lake access, etc.)

At Home Energy Savings:

- Consider keeping your thermostat at a higher temperature when you are at home, and especially when you are gone. The closer the temperature is to the outside temperature, the less often your air conditioning unit will run. Use a ceiling fan to maintain the same levels of comfort you would have had with a lower thermostat setting.
- Keep air conditioning filters changed to maintain good airflow. The dirtier they are, the harder your unit will work.
- Unplug and turn off appliances, lights, and electronic devices that are not in use.
- Set your hot water heater to 120 degrees F.
- Use cold water to wash clothes and consider hanging some items to dry.



Do you budget your finances? According to a Gallup poll conducted in April of 2013, only 1/3 of American’s kept a monthly budget. Being aware of your finances is the best way to achieve your goals in the future for vacations, retirement, college funding, etc. Most people feel like they have gotten a raise once they see their finances on paper because they are able to see exactly where they are overspending. There are many different ways to create a budget: online templates, downloadable apps, spreadsheets, and old fashioned pen and paper. It does not matter which method you chose as long as it works for you. Managing personal finances is some-

thing that initially can require quite a bit of time and attention. Your first budget will be your hardest to create and may have to be tweaked often until it works well for you but do not become discouraged. If you are having trouble balancing your budget or have more money going out then coming in, please remember that ParTners for Health, <http://partnersforhealthtn.gov>, offers financial counseling as part of your EAP program. Also, information regarding credit counseling can be found at the National Foundation for Credit Counseling website

www.nfcc.org.

Summertime Fun on a Budget

Most communities have a variety of activities for families to enjoy during the summer for little to no cost. Local home improvement and craft stores sometimes schedule workshops for children. Also, bookstores and libraries may have story times and reading groups to join.

You can do an internet search to see what may be available in your area.

Also, remember that state employees have many discounts available to them. Visit the link to see what you may be interested in.

<http://www.tn.gov/employees/discount.shtml>

IT’S JULY! ARE YOU READY FOR BACK TO SCHOOL?

Wait! What? We are just now beginning Summer, not worrying about school starting back yet. BUT did you know that (according to the National Retail Federation) parents spent an average of \$688.62 for back to school supplies, clothing, and accessories per child ages K-12 in 2012? It is never a surprise that most schools resume in August. Why not try putting some money back now or going ahead and picking up some items here and there so that you are not overwhelmed when school is starting? Take an inventory of what clothes are needed to avoid impulse purchasing and create a budget and stick to it. The 2014 Tax Free Holiday Weekend begins Friday August 01 at

12:01 am and lasts until Sunday August 03 at 11:59 pm. For a complete list of tax exempt items visit the Department of Revenue’s website @ <http://www.tn.gov/revenue/salestaxholiday/>.

Good luck and happy shopping!





The Tennessee Promise: Beginning in the Fall of 2015, every graduating high school senior wishing to further their education will have the opportunity to attend a two-year community college in Tennessee or attend a Tennessee College of Applied Technology free of tuition and fees and be provided a mentor to ensure their success. Signed into law in May of 2014, this new opportunity will help to increase the education of Tennesseans with hopes of decreasing the unemployment rate across the state.

Students interested in taking advantage of this opportunity will be required to maintain a 2.0 GPA, maintain a class schedule of 12 credit hours per semester, participate in community service and mentoring programs, and attend mandatory meetings.

Keep in mind that any full time employee in the executive, judicial or legislative branch of State government is eligible to take one college course per semester with fees waived, to further their education. Employee's dependents are also eligible to receive a 25% fee discount for enrollment in undergraduate classes.

For more information on the Tennessee Promise, please go to <http://driveto55.org/>.

Class waiver and fee discount forms can be found at <http://www.tn.gov/thec/Divisions/LRA/FeeWaiverandDiscount/RulesandForms.html>

Tennessee is the
42nd State in the US
in earning degrees
or certifications.

In 2013 only 32% of Tennesseans held a college degree or technical certificate. Governor Haslam is pushing to raise that number to 55% by the year 2025. This goal will not be able to be achieved by graduating students alone so programs will be implemented to assist working adults.

HOMEOWNERSHIP TIPS:

Home ownership is a dream that most American's have. If you own a home, you know that along with that dream comes a responsibility to maintain, repair and update that home with remodeling projects. Summer is a great time of the year to complete a home project. However, with the warmer temperatures can come severe storms, flooding, or tornadoes that can damage homes, requiring often pricey repairs, sometimes in excess of what a homeowner's insurance company may pay on a claim. If these items haven't been previously budgeted, or money saved to complete, you may need to obtain financing from a bank, credit union or mortgage lender to make the project a reality.

When choosing a contractor, make sure to do your research. Research companies, view business and personal reviews, ask to check references from previous clients. Beware of the home improvement loan scam. The Federal Trade Commission describes this type of scam with the following scenario:

A contractor calls or knocks on your door and offers to install a new roof or remodel your kitchen at a price that sounds reasonable. You tell him you're interested, but can't afford it. He tells you it's no problem—he can arrange financing through a lender he knows. You agree to the project, and the contractor begins work. At some point after the contractor begins, you are asked to sign a lot of papers. The papers may be blank or the lender may rush you to sign before you have time to read what you've been given. The contractor threatens to leave the work on your house unfinished if you don't sign. You sign the papers. Only later, you realize that the papers you signed are a home equity loan. The interest rate, points and fees seem very high. To make matters worse, the work on your home isn't done right or hasn't been completed, and the contractor, who may have been paid by the lender, has little interest in completing the work to your satisfaction.

Watch out for these things to avoid being scammed:

Warning signs:

- *The contractor demands full payment up front or in cash only.
- *The contractor has no physical address or refuses to show ID.
- *You have to disclose personal financial information (perhaps to "speed up payment") to start the repair or lending process.
- *If you have to borrow to pay for the repairs, the contractor steers you toward a particular lender or tries to act as an intermediary between you and a lender.
- *You are asked to sign something without enough time to review it.

Avoiding the scam:

- *Carefully question strangers who show up and knock on your door, offering repairs.
- *Never give any personal financial information, such as an insurance number or Social Security Number.
- *Never sign any document without fully reading and understanding it. If you don't understand something, ask for an explanation.
- *Do your own research before borrowing any money to pay for repairs.
- *Get a loan quote from someone who is not recommended by your contractor and compare their amounts, repayment schedules, and rates. If they differ significantly, ask both parties why.
- *Never sign a loan document with blank spaces.
- *Request a signed certificate of completion between the homeowner and contractor before any payment is rendered. This ensures that both parties agree the work is completed and the homeowner is satisfied with the work. (Information reported by the Consumer Financial Protection Bureau @ <http://www.consumerfinance.gov/blog/avoiding-loan-scams-after-a-natural-disaster/>)

**If you feel a mortgage lender or servicing institution has contributed to a home improvement scam against you, you have the opportunity to file a consumer complaint for review with the department at: <https://first.tn.gov/Complaints/UI/>