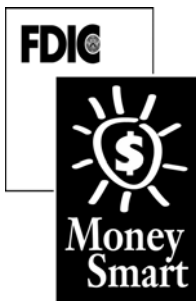


# Keep It Safe



## Instructor Guide



Building: Knowledge, Security, Confidence

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**FDIC Financial Education Curriculum**

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# MODULE OVERVIEW

## Purpose

The Keep It Safe module provides information on how students can protect their finances and identity.

## Objectives

At the end of the module, students will be able to:

- Identify the laws and regulations that protect their deposits.
- Identify the laws and regulations that protect them when applying for a loan.
- Guard against predatory lending practices and identity theft.
- Describe how to be financially prepared for disasters.

## Presentation Time

The total presentation time is 2 hours. The class can be divided into two 1-hour sessions taught on different days if this is more convenient for students. If you teach this module as two 1-hour sessions, it can be split into two parts as follows:

Part 1	Part 2
Federal Consumer Protection Laws and Regulations	Predatory Lending Practices
Non-deposit Investment Products	Identity Theft
Lending Laws	Elder Financial Abuse
Additional Lending Laws	How to Be Financially Prepared for Disasters
Privacy Notices	Summary and Conclusion

## Materials and Equipment Needed to Present This Module

**Important Note:** The materials and equipment needed to present all of the Money Smart modules are listed in the *Guide to Presenting the Money Smart Program*. Review the Guide thoroughly before presenting this module.

## Handouts

- How to Avoid Identity Theft
- How to Be Financially Prepared When Disaster Strikes

# LESSON PLAN

Instructor Notes	Presentation
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## MODULE OVERVIEW

### Welcome



1: *Keep It Safe*  
Welcome students to the module.

Welcome to Keep It Safe! There are many consumer protection laws that protect your rights as a consumer, and knowing your legal rights can help you protect your money.

### Introduction



2: *Introduction*

*Introduce yourself and share a little of your background and experience.*

### Student Introductions

Before we get started, I would like to know a little bit about you.



3: *Student Introductions*

*Ask students to introduce themselves and state their expectations, questions, and/or concerns about what will be covered during the training.*

*If there is anything that will not be covered in the module, tell students where the information can be obtained (e.g., another module, a Website).*

*Record their course-related expectations, questions, and concerns on chart paper and tape to the walls in the classroom.*

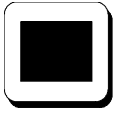
### Purpose



4: *Purpose*  
Describe the purpose of the module.

The Keep It Safe module will give you general information on the laws and regulations that protect your rights as a consumer and will help you guard against predatory lenders, identity theft, and elder financial abuse.

It will also help you know how to be financially prepared when a disaster strikes.



5: Objectives

## MODULE OVERVIEW (Continued)

### Objectives

By the end of this module, you will be able to:

- Identify the laws and regulations that protect your deposits.
- Identify the laws and regulations that protect you when applying for a loan.
- Guard against predatory lending practices and identity theft.
- Describe how to be financially prepared for disasters.



6: Agenda and Ground Rules  
Describe the module agenda and ground rules.

### Agenda and Ground Rules

This module will take about 2 hours to present, depending on how long it takes us to get through the exercises and activities.

There will be two 10-minute breaks during the training, one for each hour.

I will be using a variety of training methods. I will be presenting material to you in the form of lectures.

There will also be classroom and small group discussions and exercises that give you a chance to practice what you have learned.

If you have experience or knowledge in some aspect of the training material, please share your ideas with the class.

One of the best ways to learn is from each other. You might be aware of some method that has worked well for you or some pitfall that you can caution others to avoid. Your contribution to the class will make the learning experience that much better.



*Refer students to the Participant Guide.*

*Review its contents and organization.*



*Ask students ...*

## MODULE OVERVIEW (Continued)

### Student Materials

Each of you has a copy of the Keep It Safe Participant Guide. It contains:

- Materials and instructions you will need to complete the exercises.
- Checklists and tip sheets related to the module content.
- Space for you to take notes.
- A glossary of the banking terms used in this module.
- Resources for you to investigate after the class.

You will also receive a copy of the slides I will be using to present this module.

We will be using the Guide throughout the training. You will be able to take it home and use it as a reference.

Do you have any questions about the module overview?



*Refer students to the What Do You Know? form on page 23 of their Participant Guide. Explain its purpose.*

### WHAT DO YOU KNOW?

The What Do You Know? form lets you measure how much you have learned from this training. It also tells me what you liked about it and what needs to be improved.

*Read the instructions for the “Before-the-Training” column only and walk students through each statement.*

*Provide enough time for students to complete this portion of the form.*

*Tell students they will return to this form at the end of the training to complete the remaining sections.*



*Transition to the next topic.*

Let's get started discussing the laws and regulations that protect you and your money.

**FEDERAL CONSUMER PROTECTION LAWS AND REGULATIONS****Laws That Protect Deposit Accounts**

*Introduce the topic.*

There are many federal consumer protection laws. In fact, there are too many to cover in this module. However, you should know that financial institutions must follow certain laws and regulations that protect your rights as a consumer.

Let's begin by looking at four laws that protect you with regard to deposit accounts.



*7: Laws and Regulations that Protect Deposit Accounts  
Briefly describe each law.*

**The Truth in Savings Act** requires financial institutions to reveal or disclose the terms of consumer bank accounts.

It also requires the bank to periodically send you statements for your accounts.

**The Electronic Fund Transfer Act** establishes rights, liabilities, and responsibilities of customers who use electronic fund transfer services and the banks that offer these services.

Electronic fund transfer services include the use of automated teller machines (ATMs), debit cards, and telephone or computer transactions.

For example, it requires financial institutions to limit consumer liability if ATM cards are lost or stolen.

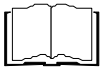
**The Expedited Funds Availability Act** limits the amount of time a bank can hold a check deposited into your checking account.



**FEDERAL CONSUMER PROTECTION LAWS AND REGULATIONS** (Continued)

**The Federal Deposit Insurance Corporation (FDIC) deposit insurance regulations** protect your money if the bank fails. FDIC does not insure non-deposit investment products such as stocks, bonds, mutual funds, and annuities.

*Tell students what to do if they have questions or problems with their deposit account.*



*Refer students to the Resource List on page 29 of their Participant Guide.*

If you have any questions or problems with your deposit account, write a letter to your financial institution.

If you do not receive a response, contact your bank's regulatory agency.

## Instructor Notes

## Presentation



### PRACTICE EXERCISE: DEPOSIT ACCOUNT LAWS AND REGULATIONS



*Practice Exercise: Deposit Account Laws and Regulations*  
*Deposit-Related Federal Consumer Protection Laws and Regulations*

#### Purpose

Let's look at several scenarios involving bank customers to see if a federal law protects you.

*Refer students to the practice exercise and Deposit-Related Federal Consumer Protection Laws and Regulations beginning on page 1 of their Participant Guide.*



*8: Practice Exercise: Deposit Account Laws and Regulations*

#### Instructions

*Review the instructions with students.*  
*Give students 5 minutes to answer the questions.*  
*Provide the correct answers, using Instructor Aids #1 and #2, beginning on the next page, to guide you.*  
*Provide additional information as needed.*  
*Answer questions.*



*When you have finished the exercise, ask students ...*

Do you have any questions about these consumer protection laws and regulations?



*Transition to the next topic.*

We have discussed the laws that protect consumers when opening and using deposit accounts. Now let's discuss how to protect your non-deposit investment accounts.



## PRACTICE EXERCISE: DEPOSIT ACCOUNT LAWS AND REGULATIONS

### Purpose

To help you identify whether you are protected by federal consumer protection laws and regulations.

### Instructions

- Read each scenario carefully.
- Use the description of laws and regulations on the next page to help you answer the questions.
- Be prepared to explain why you answered the questions the way you did.

### Scenarios

Mary is considering opening a bank account, and she asks for written information about the account.

Did Mary use a federal consumer protection law? If yes, which one?

**Yes, the Truth in Savings Act.**

The bank charges Chris an overdraft fee when he writes a check without sufficient funds in his account. This fee was listed on the fee schedule when he opened his account. Chris believes the bank should not require him to pay this amount.

Is Chris correct?

**No, when Chris opened the account, the bank gave him the required fee schedule.**

John deposits his paycheck into his checking account. He then tries to make a withdrawal from the ATM, only to discover that the money he just deposited is not available. John calls the bank and learns that his check is being held for 3 days. The bank never told John that checks he deposited would be held.

Was the bank required to notify John that his check was being held?

**Yes, because of the Expedited Funds Availability Act.**

Theresa has been using her debit card to pay for groceries. One day while shopping, she could not find her debit card. Theresa immediately called her bank.

Is there a consumer protection law that protects Theresa?

**Yes, the Electronic Fund Transfer Act.**

## **DEPOSIT-RELATED FEDERAL CONSUMER PROTECTION LAWS AND REGULATIONS**

### **Truth in Savings Act (TISA)**

The Truth in Savings Act enables consumers to make informed decisions before opening a deposit account. Because of this law, banks must provide account information to consumers when they ask for it. The information needs to be clear and in writing, so consumers can use it to shop for the best account.

Some of the required information that a bank must give to consumers includes:

- Interest rate information.
- Balance requirements.
- Fee information.

If a consumer telephones a bank to ask for interest rates on deposit accounts, the bank must state the annual percentage yield (APY) that reflects the effects of compounding. Use the APY when making comparisons among different savings accounts.

### **Electronic Fund Transfer Act (EFTA)**

The Electronic Fund Transfer Act establishes rights, liabilities, and responsibilities of customers who use electronic fund transfer services and the banks that offer these services.

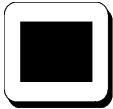
Electronic fund transfer services include the use of automated teller machines (ATMs), debit cards, and telephone or computer transactions. EFTA requires financial institutions to limit consumer liability if ATM cards are lost or stolen and protects consumers against electronic transfer errors.

### **Expedited Funds Availability Act (EFAA)**

The Expedited Funds Availability Act limits the amount of time a bank can hold a check deposited into a checking account.

### **FDIC deposit insurance regulations**

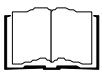
FDIC insurance protects your money if the bank fails. However, the FDIC does not insure non-deposit investment products such as stocks, bonds, mutual funds, and annuities.



*9: Non-deposit Investment Products*

*Describe these products.*

*Give an example of the difference between FDIC-insured accounts and non-deposit investment accounts.*



*Non-deposit Investment Products*



*When you have finished reviewing the tips, ask students ...*



*Transition to the next topic.*

## NON-DEPOSIT INVESTMENT PRODUCTS

Some banks sell non-deposit investment products such as stocks, bonds, mutual funds, and annuities. The FDIC does not insure these products.

When deposits are insured, the FDIC will pay up to the maximum amount allowed by law.

Let's look at the effects of a worst-case scenario with two types of financial products

- Robert had a \$10,000 Certificate of Deposit (CD) from a bank. He also invested \$10,000 in a mutual fund with a broker at the same bank.
- The mutual fund loses value, and, although this rarely happens, the bank fails.
- For the CD, the FDIC will cover Robert's \$10,000 and the interest he has earned.
- For the mutual fund, neither the FDIC nor the Securities Investor Protection Corporation (SIPC) will protect Robert from the rise and fall of the market value.

The SIPC only protects against certain losses if a member broker or dealer fails financially and is not able to meet his or her obligations.

Let's look at some important tips you should keep in mind when considering buying these investment products.

*Refer students to Non-deposit Investment Products on page 3 of their Participant Guide.*

*Review the tips with them, using Instructor Aid #3 on the next page to guide you.*

Do you have any questions about these non-deposit investment products?

We will now look at lending laws and how they protect your rights throughout the loan process.

## NON-DEPOSIT INVESTMENT PRODUCTS

Some banks sell non-deposit investments products (such as mutual funds, annuities, and stocks). Since these products are not insured by the FDIC, keep the following tips in mind to protect your money.

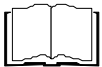
### How to protect yourself

- Before investing in non-deposit products, have enough emergency money in a savings or other readily accessible account to support you and your family for 2 to 6 months. Do not use this money to buy investment products.
- Never invest in a product you do not understand.
- Be sure you have enough information before making an investment. Ask questions until you are satisfied.
- Investments always have some degree of risk. Understand the risks before investing.
- Be sure your sales representative knows your financial objectives and risk tolerance.

Find out more about your registered sales representative or broker/dealer by calling the National Association of Securities Dealers (NASD) at 800-289-9999, or by visiting [www.nasd.com](http://www.nasd.com).



*10: Lending Laws*  
*Introduce the topic.*



*What Lending Laws Protect You*



*Lending Laws*

## LENDING LAWS

The next set of laws I am going to discuss protects you when you are applying for a loan or for credit. They are the:

- Equal Credit Opportunity Act.
- Truth in Lending Act.
- Fair Credit Reporting Act.
- Fair Debt Collection Practices Act.
- Fair Credit Billing Act.

There may also be state laws that give you additional protections. Contact your state Department of Consumer Protection or attorney general for more information about your state's laws.

To learn about these federal laws, you are going to read a scenario and answer some questions about applying for a home loan.

*Refer students to What Lending Laws Protect You beginning on page 4 of their Participant Guide.*

*Review the instructions with them, using Instructor Aid #4 on the next page to guide you.*

Do not worry if you cannot answer all the questions. I will give you the correct answers and some additional information about these laws.

All of the laws are described in your Participant Guide beginning on page 8. Read these descriptions to help you answer the questions.

*Give students 10 minutes to read the scenario and answer the questions.*

*Provide the correct answers, adding additional information about the law.*

*Use Instructor Aids #4 and #5 on the following pages to guide you.*

## WHAT LENDING LAWS PROTECT YOU?

### Instructions

- Read the scenario about Angela and answer the questions.
- Use the descriptions of the lending laws on page 8 to help you answer the questions.

### Scenario

Angela is a 43-year-old woman who is divorced, has two children, and is working part-time. She wants to apply for a loan, but is not sure she will get one because she is not married. She does not realize that there is a law that protects her from discrimination based on her marital status.

What law protects Angela from discrimination based on marital status?

### The Equal Credit Opportunity Act

Angela decides to go ahead and apply for the loan. But first, she wants to shop around for the best loan, so she will need information about how much the loan will cost.

What law requires lenders to tell Angela how much it costs to borrow money?

### The Truth in Lending Act

Angela learns that the best way to compare loan costs is to use the annual percentage rate (APR). She finds out that it reflects interest plus other loan fees. She notices that the APR is listed in big, bold print on the disclosures she received from several banks.

Angela wants to borrow \$5,000. At one bank, the APR is 12 percent and the finance charge is \$600.00.

What is the total amount that Angela would have to pay back on this loan?

**\$5,000 + \$600.00 = \$5,600.00**

Now Angela knows how to compare costs by looking at the APRs. She finds a bank that has the best APR and begins the loan application process.

Angela sits down with the lender to discuss her application. The lender asks Angela why she got divorced. Angela does not feel comfortable answering this question. She asks the lender what her divorce has to do with her loan application. The lender tells her that they would prefer to lend money to a husband and wife because they are better able to repay the loan.



## WHAT LENDING LAWS PROTECT YOU? (Continued)

Did the lender break a lending law in asking about Angela's divorce? **Yes.**

If yes, which law? **The Equal Credit Opportunity Act.**

A few weeks later, Angela learned that she was denied the loan. Here is the letter she received:

SAMPLE NOTICE OF ACTION TAKEN AND STATEMENT OF REASONS	
Date	
Dear Applicant:	
Thank you for your recent application. Your request for a loan was carefully considered, and we regret that we are unable to approve your application at this time, for the following reasons:	
Your Income	<input checked="" type="checkbox"/> is below our minimum requirement. <input type="checkbox"/> is insufficient to sustain payments on the amount of credit requested. <input type="checkbox"/> could not be verified.
Your Employment	<input type="checkbox"/> is not of sufficient length to qualify. <input type="checkbox"/> could not be verified.
Your Credit History	<input checked="" type="checkbox"/> of making payments on time was not satisfactory. <input type="checkbox"/> could not be verified.
Your Application	<input type="checkbox"/> lacks a sufficient number of credit references. <input type="checkbox"/> lacks acceptable types of credit references. <input type="checkbox"/> reveals that current obligations are excessive in relation to income.
Other:	<input type="checkbox"/>
The consumer reporting agency that provided information that influenced our decision in whole or in part was [name, address and toll-free telephone number of the reporting agency]. The reporting agency is unable to supply specific reasons why we have denied credit to you. You do, however, have a right under the Fair Credit Reporting Act to know the information contained in your credit file. You also have a right to a free copy of your report from the reporting agency, if you request it no later than 60 days after you receive this notice. In addition, if you find that any information contained in the report you receive is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency. Any questions regarding such information should be directed to the consumer reporting agency.	
If you have any questions regarding this letter, you should contact us at [creditor's name, address, and telephone number].	
NOTICE: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant is enrolled in a public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act). The Federal agency that administers compliance with this law concerning this creditor is the FDIC, 2345 Grand Avenue, Suite 100; Kansas City, Missouri 64108.	

## WHAT LENDING LAWS PROTECT YOU? (Continued)

The first thing Angela did was contact the credit reporting agency to get a copy of her credit report.

Which law allows Angela to do this?

**The Fair Credit Reporting Act**

Angela found nothing in her credit report to indicate that she had ever missed making payments on her bills. She believes she was denied the loan based on her marital status.

Which law could help Angela if she has been discriminated against?

**The Equal Credit Opportunity Act**

What should she do?

**Complain to the creditor in writing and keep a copy. The creditor may find an error and reverse the decision. She should also promptly report possible violations to the responsible government agency. The agency's name and address will be listed in the denial notice.**

It was determined that Angela was discriminated against. The decision to deny her the loan was reversed. Angela now has the loan.

Later in the year, Angela got behind on her credit card payments. She started getting calls at work from a collection agency about her past-due payments. A law could allow Angela to tell the collection agency to stop calling her at work.

Which law is this?

**The Fair Debt Collection Practices Act**

Shortly after Angela got caught up on her payments, she noticed that she was charged twice for her \$150 purchase at the department store.

What law protects Angela when creditors make billing errors?

**The Fair Credit Billing Act**

## WHAT LENDING LAWS PROTECT YOU? (Continued)

Angela decides to make a written complaint to her credit card company. Her complaint letter looks something like the one below. Note that some credit card companies include a form on the back of your periodic statement that you can use instead of sending a letter.

Your Name Your Address Your City, State, Zip Code Date
Name and Title of Contact Persons (if available) Consumer Complaint Division (if you have no contact person) Bank of Anytown Street Address City, State, Zip Code
RE: Account # XYZ-123
Dear (Contact Person):
On (date), I bought a \$150 item at (name of department store). I was reviewing my credit card statement and I noticed I was billed twice for the same item.
To resolve this problem, I would appreciate your crediting my account for \$150. Enclosed is a copy of my receipt.
I look forward to your reply and a resolution to my problem, and anticipate hearing from you before (set a time limit). Please contact me at the address above or by phone (day and evening numbers with area code).
Sincerely
Your Name
Enclosures Cc: (reference the person to whom you are sending a copy of this letter, if anyone)

How long does the credit card company have to respond to Angela's letter?

**Thirty days. While the credit card company must respond within 30 days, it must then resolve the matter within two billing cycles (no longer than 90 days).**

## LENDING LAWS

### TRUTH IN LENDING ACT

#### Before applying for a loan:

The Truth in Lending Act (TILA) requires lenders to disclose the total cost of your loan, including the finance charge and the APR. In addition, it gives consumers the right to cancel certain types of home loans within 3 days.

A Truth in Lending disclosure will include the following information.

Annual Percentage Rate	Finance Charge	Amount Financed	Total Payment
The yearly cost of your credit expressed as a percentage.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The total amount you will have paid when you have made all scheduled payments.
12%	\$600.00	\$5,000	\$5,600.00

### EQUAL CREDIT OPPORTUNITY ACT

#### Before applying for a loan:

The Equal Credit Opportunity Act (ECOA) protects consumer rights throughout all stages of the loan process. ECOA promotes the availability of credit to all creditworthy applicants without regard to the factors (also called *prohibited bases*) listed below. For example, lenders cannot discourage you from applying for a loan or deny your application based on these factors:

- Race.
- Color.
- Religion.
- National origin.
- Sex.
- Marital status.
- Age.
- Receipt of public assistance income.
- Exercise of rights under the Consumer Credit Protection Act (Example: You cannot be denied a loan because you have filed a complaint against the bank.)

#### During the loan application process:

ECOA restricts the lender from requesting certain information during the loan application process. In general, the lender may not ask:

## LENDING LAWS (Continued)

- For information about a spouse or former spouse unless your spouse is applying with you. If you are jointly applying or if the loan is secured, the lender may ask your marital status, but may only use the terms married, unmarried, and separated. If you do not qualify on your own, lenders may require a cosigner or guarantor, but may not require that it be your spouse.

**Note:** If you live in a community property state, a lender may request information concerning your spouse. Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin are community property states, as is Puerto Rico.

- For income derived from alimony or child support unless you want it considered as part of your income. The lender cannot discount or refuse to consider consistent part-time income, annuities, pensions, alimony, or child support payments.
- About birth control practices or intentions of having children. However, a lender may ask about the number and ages of your dependents.
- About whether you are male or female. Courtesy titles (Mr., Mrs., Miss, Ms.) may be requested, but these are optional.
- For your race, color, religion, or national origin.

**Note:** In most cases, lenders cannot request the information above. However, for certain home loans, lenders must collect some of the information (race, sex, marital status, and age).

The lender must notify you in writing, within 30 days of the date of the loan application, if you have been approved or denied the loan. If you are denied, the notice will contain:

- The name and address of the lender.
- The name and address of the federal agency you can contact if you feel you have been discriminated against.
- Either a statement of the specific reasons for denial or a notice that you may request the specific reasons for your denial.

## FAIR CREDIT REPORTING ACT

### During the loan application process:

The Fair Credit Reporting Act (FCRA) requires that the lender notify you if you are denied a loan or credit because of information in your credit report. This notice is usually combined with the notice denying the loan or credit. The FCRA notice should contain:

- The name, address, and telephone number of the credit reporting agency that provided the credit report to the lender.

## LENDING LAWS (Continued)

- A statement that the credit reporting agency did not make the decision to deny your application.
- A notice of your right to obtain a free copy of your credit report within 60 days of receiving the notice.
- A notice of your right to dispute the information in your credit report.

The Money Smart module To Your Credit covers credit reports and how to correct inaccurate information.

## FAIR DEBT COLLECTION PRACTICES ACT

### After you get your loan:

The Fair Debt Collection Practices Act (FDCPA) helps eliminate abusive debt collection practices. Under this law, debt collectors other than your creditor cannot:

- Contact you at any unusual time or place.
- Contact you at work if you have informed them not to call you there.
- Use threat of violence or other criminal means to harm you or your property.
- Call you with the intent to annoy, abuse, or harass you.
- Call you without identifying themselves.
- Use deceptive or misleading methods to collect debt.

If you feel the FDCPA has been violated, contact the appropriate federal regulatory agency. These agencies are listed in this Participant Guide under *Resource List*.

## FAIR CREDIT BILLING ACT

### After you get your loan:

The Fair Credit Billing Act (FCBA) requires creditors to promptly credit payments and correct billing mistakes for open-ended accounts such as credit cards. It also allows you to withhold payments on defective goods. (Note: The Electronic Fund Transfer Act and the Truth in Lending Act also have methods for correcting billing errors.)

Examples of billing errors include:

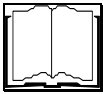
- A charge for something you did not buy.
- A charge that is different from the actual purchase price.
- An error in math (e.g., the total does not add up, or an interest miscalculation).

If you think there is an error on your bill you should, within 60 days of receipt of your incorrect bill, notify your creditor in writing and keep a copy of the letter. You should always include your name, account number, and what you believe is the error.

The lender is required to acknowledge your letter within 30 days. Within two billing cycles (no longer than 90 days), the lender must either correct the problem or explain why it believes the bill is correct.



*After providing the correct answers to the questions about lending laws, ask students... Acknowledge students' responses.*



*Resolving Complaints by Writing to the Regulators*



*When you have finished reviewing how to resolve complaints by writing to the regulators, ask students ...*



*Transition to the next topic.*

**LENDING LAWS (Continued)**

If Angela's letter did not produce the desired result, what should she do to follow up?

**Answer:** She needs to write to the credit card company's federal regulator.

If you have written a letter to the bank that does not produce the results you desire, you can write to the bank's regulator for assistance.

Sometimes that means writing to the FDIC. As in the complaint letter that Angela wrote, include the following information to help the regulators investigate your complaint:

*Refer students to Resolving Complaints by Writing to the Regulators on page 11 of their Participant Guide. Describe the information the letter should include, using Instructor Aid #6 on the next page to guide you.*

Do you have any questions about these lending laws?

There are a few more laws and regulations that you need to know about before we talk about predatory lending practices.

## RESOLVING COMPLAINTS BY WRITING TO THE REGULATORS

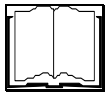
If you have written a letter to the bank that does not produce desired results, you can write to the bank's regulator for assistance. Sometimes that means writing to the FDIC. As in complaint letter on the previous page, include the following information to help the regulators investigate your complaint:

1. State the problem briefly. Explain what occurred and how you would like to see the matter resolved.
2. Include your full name, address, and daytime and evening telephone numbers with area codes.
3. Provide the complete name and address of the financial institution, along with the names of employees who have assisted you with your problem.
4. Include pertinent account information, such as account numbers and the type of product you have (checking account, savings account, home equity loan, or home loan).
5. Include important dates, such as the date a transaction took place or the date you contacted the financial institution about your problem.
6. Send copies of documents that may help explain your problem. Keep the original documents.
7. Sign and date your letter.





11: Additional Lending Laws



Additional Lending Laws



*When you have finished discussing these laws, ask students ...*



*Transition to the next topic.*

## ADDITIONAL LENDING LAWS

There are some additional laws you should know about that may give you additional protection. They are the:

- Servicemembers' Civil Relief Act.
- Real Estate Settlement Procedures Act.
- Fair Housing Act.
- Consumer Leasing Act.

Let's take a brief look at each of these laws.

*Refer students to Additional Lending Laws on page 12 of their Participant Guide.*

*Briefly review them with students, using Instructor Aid #7 on the next page to guide you.*

Do you have any final questions about lending laws?

Now let's take a look at the requirements of laws designed to protect your privacy.

## ADDITIONAL LENDING LAWS

### **Servicemembers' Civil Relief Act**

The Servicemembers Civil Relief Act (SCRA) provides important legal rights to active-duty military members and reservists or members of the National Guard called to active duty and, in limited situations, dependents of military members (e.g., in certain eviction actions). The act provides protection pertaining to civil judicial proceedings, residential rentals, mortgage loans, consumer loans, and credit card interest rates.

For example, the interest rate on loans a service member received before entering active-duty status is capped at 6 percent if the service member's military service materially affects his or her ability to pay.

In addition, a service member on active duty may be able to successfully ask a court to postpone civil or administrative hearings that the service member is unable to attend due to his or her military duties.

The act also provides protection in the event of a foreclosure or repossession that occurs during active duty service. If you claim such eligibility under the SCRA, notify your creditors by phone and in writing (attach a copy of your orders) and visit your local military installation's servicing legal office for assistance with any specific questions concerning your rights under the act.

### **Real Estate Settlement Procedures Act**

The Real Estate Settlement Procedures Act (RESPA) requires that lenders provide you with accurate and timely disclosures of the costs of settlement, such as loan origination fees (points), broker's commissions, and title charges. RESPA was designed to prevent abusive practices such as kickbacks for loan referrals.

### **Fair Housing Act**

The Fair Housing Act (FHA) prohibits discrimination on the basis of race, color, religion, sex, national origin, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), or handicap (disability), in housing-related transactions.

### **Consumer Leasing Act**

The Consumer Leasing Act (CLA) requires clear disclosure of leasing terms so consumers can compare leases. Disclosures must be made before a lease is signed, and must be available for the consumer to keep.

*Introduce the topic.*



*12: Privacy Notices*

*Describe the contents of privacy notices.*



*13: Types of Privacy Notices*

*Describe the types of privacy notices.*

*Explain why financial companies use your personal financial information.*

## PRIVACY NOTICES

The law requires financial institutions to protect your financial information.

It also requires companies that are involved in financial transactions to send you “privacy notices.”

You may have already received them from financial institutions or other entities you do business with.

### Contents of Privacy Notices

Privacy notices explain how the company handles and shares your personal financial information. For example, they explain what information the company collects and how you may be able to limit the company’s sharing your information with others.

### Types of Privacy Notices

- Initial Privacy Notice. You will usually receive a privacy notice when you open an account or become a customer of a financial company.
- Annual Privacy Notices. Each financial company you have an ongoing relationship with – for example, the bank where you have a checking account – must give you a notice of its privacy policy once a year.
- Notice of Changes in Privacy Policies. If a company changes its privacy policy, it will either send you a revised privacy notice or tell you about the changes in the company’s next annual notice.

Financial companies share information to:

- Offer you more services,
- Introduce new products, and
- Profit from the information they have about you.

If you would like to know about other products and services, you may want your financial company to share your personal financial information; in this case, you do not need to respond to the privacy notice.



14: "Opting Out"

*Describe how to opt out of receiving notices.*

## PRIVACY NOTICES (Continued)

### "Opting Out"

If you prefer to limit the promotions you receive or do not want marketers and others to have your personal financial information, you must take some important steps.

Federal privacy laws give you the right to stop or "opt out of" *some* sharing of your personal financial information.

You can opt out of most information sharing with other companies.

However, you cannot opt out and completely stop the flow of all your personal financial information.

For example, the law permits a financial company to share certain information about you without giving you the right to opt out. The company might give your information:

- To firms that help promote and market products offered by the company itself or jointly with another company.
- To firms that provide data processing and mailing services for your company.
- When a court orders it to do so.
- To credit bureaus about your payment history on loans.

Information about your relationship with a company may also be shared with companies that are jointly owned or similarly affiliated with that company.

If you opt out, you limit the extent to which the company can provide your personal financial information to non-affiliates.

If you do not opt out within a reasonable period of time (generally about 30 days after the company mails the notice), the company is free to share certain personal financial information.

**PRIVACY NOTICES** (Continued)

If you did not opt out the first time you received a privacy notice from a financial company, it is not too late. You can always change your mind and opt out of certain information sharing. Contact your financial company and ask for instructions on how to opt out.

Remember, your opt-out does not apply to personal financial information shared before you opted out.

*Tell students how to opt out.*

In addition, you can call a toll-free number to opt out of receiving most preapproved offers of credit or insurance.

To opt out, call 888-5-OPTOUT (567-8688) or visit [www.optoutprescreen.com](http://www.optoutprescreen.com).



*Write the phone number on chart paper.*



*Ask students ...*

Do you have any questions about privacy notices?



*Transition to the next topic.*

Now that you know about the laws and regulations that protect you, let's take a look at a topic that I know you are eager to learn about: predatory lending practices.



*15: Predatory Lending*  
Explain what predatory lending is.

## **PREDATORY LENDING PRACTICES**

Predatory lending has become a serious problem. It occurs when companies offer loan products using certain marketing tactics, abusive collection practices, and loan terms that deceive and exploit borrowers.

Abusive practices can occur in the mortgage, home equity, credit card, auto lending, and payday lending markets.

Most of the problems are not caused by federally insured financial institutions.

### **Subprime Lending**

Most predatory loans are made to subprime borrowers, but not all subprime loans are predatory.

Subprime lending can be beneficial, if performed in a fair, reasonable, and legal manner. A subprime loan may be the only alternative available to some borrowers.

Predatory lending often affects borrowers in the subprime market.

- Subprime lending involves extending credit to borrowers whose credit history reflects late payments, collections, bankruptcy, etc. These types of borrowers are considered to be higher risk.
- Subprime lenders charge higher interest rates and loan fees to offset the higher costs associated with lending to borrowers with credit history problems.

### **Two Types of Predatory Loans**

Two types of predatory loans that you should be aware of are:

- Predatory payday loans.
- Predatory mortgage loans.

Let's look at each one.



*16: Subprime Lending*  
Explain who subprime borrowers are.



*17: Two Types of Predatory Loans*  
Introduce the topic.

**PREDATORY LENDING PRACTICES (Continued)****Predatory Payday Loans**

The first type of predatory loan is a payday loan made using predatory practices.

Payday loans are small cash advances, usually of \$500 or less. To get a loan:

- A borrower gives a payday lender a postdated personal check or an authorization for automatic withdrawal from the borrower's bank account.
- In return, the borrower receives cash, minus the lender's fees.

Let's look at how this would work.

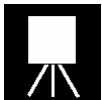
- Assume you go to a payday lender and borrow \$200.
- The payday lender will usually make a 2-week loan and might charge a fee of \$30.
- You will write a postdated check to the lender for \$230, dated after your next payday.
- The payday lender holds the check for 2 weeks. When the loan is due, you can repay it by letting the lender cash the check, or you can give the lender the full amount due in cash.
- The annual percentage rate for this transaction is 390 percent. An APR for a typical payday loan may be even higher than this example.

Most payday lenders allow you to "roll over" or renew your loan. The lender will charge an additional fee. In this case, you would write another postdated check, this time for \$260 (\$230 + \$30 additional fee).

Remember that payday loans should only be used for emergencies. If you cannot fully repay the loan within a few pay periods, you should consider a longer term loan from a financial institution.

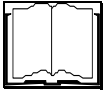


*18: Predatory Payday Loans*  
*Explain how payday loans work.*



*Write the calculations on chart paper.*

*Explain how "rollover" charges are applied to a payday loan.*

**PREDATORY LENDING PRACTICES (Continued)****Several Indicators of Possible Predatory Payday Lending Practices**

*Several Indicators of Possible Predatory Payday Lending Practices*

There are several signs that a payday loan may be a predatory loan.

Let's find out what they are.

*Refer students to Several Indicators of Possible Predatory Payday Lending Practices on page 13 of their Participant Guide.*

*Review the abusive practices with students. Use Instructor Aid #8 on the next page to guide you.*



*When you have finished reviewing predatory payday loan practices, ask students ...*

Do you have any questions about how to spot a predatory payday loan?



*Transition to the next topic.*

Now let's look at predatory mortgage loans.

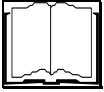


## **SEVERAL INDICATORS OF POSSIBLE PREDATORY PAYDAY LENDING PRACTICES**

1. The company advertises terms that it does not actually offer.
2. You are not given disclosures listing terms, such as the finance charge and APR.
3. There is no "cooling off" or waiting period between the time you repay a payday loan and the time you are allowed to obtain another loan.
4. You can get a payday loan even if you currently owe payday loans to other companies at the same time.
5. You can obtain as many payday loans as you want each year.
6. You can get a payday loan to finance unpaid interest and fees.
7. The company threatens to prosecute you criminally for writing a bad check even though it knew you had insufficient funds in your account to pay the check and you paid it a payday loan fee.

**PREDATORY LENDING PRACTICES (Continued)****Predatory Mortgage Loans**

Predatory mortgage loans involve a wide variety of abusive practices.



*Indicators of Predatory Mortgage Lending*

*Refer students to Indicators of Predatory Mortgage Lending on page 14 of their Participant Guide.*

*Review the abusive practices with students. Use Instructor Aid #9 on the next page to guide you.*



*When you have finished reviewing predatory mortgage loan practices, ask students ...*

Do you have any questions about how to spot a predatory mortgage loan?



*Transition to the next topic.*

Now let's see if you can identify some predatory lending practices.

## INDICATORS OF PREDATORY MORTGAGE LENDING

### **Excessive Fees**

Points and fees are costs not directly reflected in interest rates. Because these costs can be financed, they are easy to disguise or downplay. On predatory loans, fees totaling more than 5 percent of the loan amount are common.

### **Abusive Prepayment Penalties**

Borrowers with higher interest subprime loans have a strong incentive to refinance as soon as their credit improves. However, most subprime mortgages carry a prepayment penalty – a fee for paying off a loan early. Be careful of prepayment penalties that last more than 3 years and/or cost more than 6 months' interest.

### **Kickbacks to Brokers (Yield Spread Premiums)**

When brokers deliver a loan with an inflated interest rate (i.e., higher than the rate acceptable to the lender), the lender often pays the broker a fee known as a "yield spread premium." This payment makes the loan more costly to the borrower. You can avoid this by shopping around for the best rate.

### **Loan Flipping**

A lender "flips" a loan by refinancing it several times within a short time frame to generate fee income without providing any net tangible benefit to the borrower. Flipping can quickly drain borrower equity and increase monthly payments – sometimes on homes that had been previously owned free of debt.

### **Unnecessary Products**

Sometimes borrowers may pay more than necessary because lenders sell and finance unnecessary insurance or other products along with the loan.

### **Asset-based Lending**

Predatory lenders may approve a loan based on the value of a customer's equity in the home instead of his or her ability to repay the loan. The lender may later encourage the customer to default so the lender can get ownership of the home.

### **Steering and Targeting**

Predatory lenders may steer borrowers into subprime mortgages, even when the borrowers could qualify for a less expensive, typical loan. Vulnerable borrowers may face aggressive sales tactics and sometimes outright fraud.

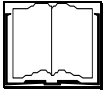


## PRACTICE EXERCISE: PREDATORY LENDING PRACTICES

### Purpose

This exercise will give you an opportunity to identify predatory lending practices.

### Instructions



*Practice Exercise: Predatory Mortgage Lending Practices*

*Refer students to the practice exercise on page 15 of their Participant Guide.*

*Review the instructions with students.*

*Give them 10 minutes to complete the exercise.*

*Provide the correct response (see Instructor Aid #10 beginning on the next page).*

*Answer questions.*



*When you have finished the practice exercise, ask students...*

Do you have any questions about predatory lending practices?



*Transition to the next topic.*

Now let's take a look at steps you can take to steer clear of predatory lenders.



## PRACTICE EXERCISE: PREDATORY LENDING PRACTICES

### Instructions

- Read each scenario carefully.
- Identify the predatory mortgage lending practice the lender is using.
- Be prepared to explain your answer.

### Scenarios

#### **Do You Need Cash Fast?**

Get an immediate payday loan from \$100 to \$1,000 in less than 24 hours!  
 Borrow Against Your Next Paycheck! It's Easy to Qualify!  
 No Credit Check Required! Apply Online! It's Never Been Easier!

It costs you less to get a payday loan than it does to pay overdraft fees when you bounce a check. The cost is far less than the price of losing your job if you can't get to work. The fees vary and are determined based on the information you provide on your application. It's emergency cash when you need it and that is exactly what cash advance loans are for. They save you the headache of being stuck in a bad spot between paydays. Your cash will be wired to your bank upon approval!

Repaying your loan is just as easy and convenient as securing the loan. The loan amount plus fees will be drafted from your bank account on your next payday. If you can't come up with all of the money, we will allow for a loan extension and deduct just the loan fee. When you are ready to repay, your loan plus fees will be deducted from your bank account.

If you cannot pay your cash advance back on your next payday, it's ok. We automatically renew loans for our online customers, so if you don't have the money in the bank, it's not a problem. We will deduct the fee from your bank account and you can pay your loan back including additional fees on your next payday. Don't worry: you can get as many payday loans each year as you want!

The Annual Percentage Rate (APR) on a 14-day loan is 780%, which is \$30.00 per every \$100.00 borrowed. Additional fees will apply if your loan is renewed.

What predatory lending practices are used in this payday loan offer?

- **Triple-digit interest rate**
- **Short minimum loan term**
- **Single balloon payment**
- **No limit on the number of payday loans offered each year**



## **PRACTICE EXERCISE: PREDATORY LENDING PRACTICES** (Continued)

Name the predatory mortgage lending practices in these scenarios:

Alice had \$10,000 in credit card debt when she got a letter offering to refinance her home. The lender never asked for her income. She soon regretted her decision to accept the offer. The \$40,000 subprime refinance loan she took out ballooned to \$65,000 almost immediately because of prepayment penalties and unanticipated fees.

**Steering and targeting, excessive fees, asset-based lending.**

Jim Smith, 68 years old, took out a mortgage loan on his home in the amount of \$20,334. His loan was refinanced six times in 6 years, bringing the final loan amount to nearly \$55,000. He paid for credit life insurance all six times, with each premium exceeding \$2,300.

**Loan flipping, unnecessary products.**

Laid off after 29 years of working, Katherine Black was struggling. Although she had a part-time job working in the school cafeteria, she was not earning enough to pay her bills. When she received a call from a man who said he could help her come up with some cash, it seemed like the answer she had been waiting for. The man said he worked for a home improvement company and that he could find her a loan that would both pay for some remodeling on her house and leave enough cash to pay her bills.

**Steering and targeting, asset-based lending.**



**PRACTICE EXERCISE: PREDATORY LENDING PRACTICES**  
(Continued)

What is wrong with this offer?

Dear Homeowner:

Do you want extra cash? **AAA Lender** can help you get the money you have been hoping for. Our free services have already helped thousands of homeowners get low interest loans to consolidate bills and get out of debt.

We are a top-rated professional referral agency and our mission is to provide homeowners like you with carefully selected lenders. We use the best network of affiliated mortgage banking companies in the country! We have hundreds of lenders across the United States ready to meet your needs.

**We can provide you with lenders who will loan you up to 125% of your home's value or \$100,000, even if you have no equity in your home or have a bad credit history!**

Best of all, our lenders offer the lowest interest rates available. They can set you up with an incredibly low monthly payment.

There are no upfront fees! This means you won't pay a dime, so you have absolutely nothing to lose!

Use the cash you receive from the loan for:

- Home improvements
- Credit card debt
- College tuition
- Dream vacation
- A new car
- Business start-up
- Or for whatever else you need!

Your loan can often be approved within 24 hours. You'll have the cash in your hands in 1 – 2 weeks.

You owe it to yourself to request a free loan evaluation. Call now and find out how easy it is. Act now! This is a limited time offer.

Sincerely,

AAA Lender

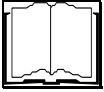


## PRACTICE EXERCISE: PREDATORY LENDING PRACTICES (Continued)

### *Additional instructor lecture notes*

- **125 percent of your home's value:** It can be dangerous to borrow more than your home is worth. If you stop making payments, you can lose your house and still owe money.
- **Incredibly low monthly payment:** There is no disclosure as to how the lender intends to calculate monthly payments. There is a possibility the lender might have you pay only interest and not the principal, so you will never pay off the loan.
- **No upfront fees:** Be careful of loans that promise no upfront fees. This does not mean there are no fees. Many times, there are expensive fees added on to the cost of the loan and you will pay interest on these loan fees. This can be very costly. For example, if a \$5,000 loan fee is added into the amount you borrow, you are paying \$5,000 plus interest on the \$5,000 over the life of the loan.
- **Even if you have a bad credit history:** Beware of lenders who promise you loans even if you have a bad credit history. If you have a bad credit history, you will most likely pay higher interest rates and more expensive loan origination fees. All lenders take your credit history into account. Some predatory lenders have been known to target low-income homeowners for high-cost, high-interest loans. Predatory lenders knowingly make loans to homeowners that cannot make the monthly payments. They would rather foreclose on the house and take the equity.
- **It's free and you have nothing to lose:** If it sounds too good to be true, it probably is. Even though the initial loan evaluation is free, there are other ways predatory lenders will take money from you. There might be hidden fees.
- **Act now, this is a limited-time offer:** Beware of "limited-time offers." Many predatory lenders try to pressure you into acting fast, even though you are not comfortable with the loan conditions.





*How to Avoid Predatory Lenders*



*When you have finished the practice exercise, ask students ...*



*Transition to the next topic.*

## **PREDATORY LENDING PRACTICES (Continued)**

### **How to Avoid Predatory Lenders**

There are several steps you can take to avoid being a victim of predatory lenders.

Let's take a look at these steps.

*Refer students to How to Avoid Predatory Lenders on page 18 of their Participant Guide.*

*Review the steps with them. Use Instructor Aid #11 on the next page to guide you.*

Do you have any questions about predatory lending practices?

Now let's take a look at another important issue that you need to be aware of: identity theft.

## HOW TO AVOID PREDATORY MORTGAGE LENDERS

- Pay your bills on time to ensure you have a good credit history. Make sure your credit history is accurate by reviewing your credit report every year.
- Be an informed consumer. Make sure to shop around for the best deal. If a lender is unwilling to give you the information you need to comparison shop, you probably do not want to do business with him or her.
- Ask friends, family, and credit counselors for advice. Take someone along with you when you talk to a lender.
- Take your time before deciding on the best loan or lender. Do not let lenders pressure you into a decision before you are ready.
- Be careful of lenders who tell you they do not care about your credit history or how much you earn. Many of these lenders charge higher interest rates and higher fees.
- Do not respond to advertisements that make lending sound cheap and easy.
- Be careful of offers to refinance your loan shortly after you just refinanced it. Make sure you really need the loan or the loan makes economic sense for you.
- Be careful of home improvement contractors that promise to get you a loan.
- Read and understand all documents before you sign them. Keep copies of what lenders give you.
- Most credit insurance is optional. Lenders cannot require you to purchase credit insurance from their company. There may be better alternatives to credit life insurance, such as a life insurance policy purchased separately.
- Ask if your mortgage has a balloon payment (most or all of the loan amount is due on a specific date). If so, make sure the terms make sense for you.
- Ask if your mortgage has a mandatory arbitration clause. If so, understand what it means for you.

If you think you are a victim of a predatory loan, contact your state's consumer protection division or an attorney. Many communities have legal offices that provide free legal services, called "pro bono" programs, to individuals with limited income. To find a local program, look in the community services pages of your phone book or look in the white pages under "Legal Services of..." or visit [www.abanet.org/legalservices/probono/](http://www.abanet.org/legalservices/probono/).



*19: Identity Theft*  
*Introduce the topic.*  
*Define identity theft.*

*Explain why identity theft is a serious problem.*



*20: New Forms of ID Theft*  
*Describe phishing and pharming.*

## IDENTITY THEFT

### What is Identity Theft?

You know there is only one you. DNA analysis can even prove it scientifically. Even so, a crafty criminal may be able to "clone" you for purposes of committing fraud.

With sufficient information, another person can become "you" and use your identity to order new credit cards, make counterfeit cards or checks, or otherwise go on a spending spree in your name.

It is called identity theft or ID theft, and it is a serious problem.

Here is why:

- Despite the efforts of law enforcement, ID theft is becoming more sophisticated and the number of new victims is growing.
- And if the crime is not detected early, people may face months or years cleaning up the damage to their reputation and credit rating. Sometimes they lose out on loans, jobs and other opportunities.

### Two New Forms of ID Theft

Two new forms of ID theft have become common. They are "phishing" and "pharming."

- In phishing, criminals send out unsolicited emails that appear to be from a legitimate source: perhaps from your bank, utility company, well-known merchants, your Internet service provider, or even a trusted government agency such as the FDIC. They attempt to trick you into divulging personal information.

**IDENTITY THEFT (Continued)**

- Similar to email phishing, pharming seeks to obtain personal or private information by making fake Websites appear legitimate. Your browser will even show that you are at the correct Website. This makes pharming more difficult to quickly detect than phishing.



Ask students ...

What are some steps you can take to avoid identity theft?

*Have students work in their table groups to brainstorm ways to avoid identity theft.*

*Give them 5 minutes to brainstorm.*

*If the class is not set up in table groups, ask for volunteers to suggest ways to avoid identity theft.*



*Write responses on chart paper.*



How to Avoid Identity Theft

*After the brainstorming session, hand out How to Avoid Identity Theft to students and review it with them.*

*Use Instructor Aid #12 on the next page to guide you.*

*Relate what students came up with during the brainstorming session with the tips in the handout.*



When you have finished reviewing the list, ask students ...

Do you have any questions about identity theft?



Transition to the next topic.

Your personal and financial information can be as good as cash to a criminal. So, take ID theft seriously. Start by following these simple suggestions for keeping your sensitive information secure.

Now let's take a look at some additional steps you should take if your wallet or purse is lost or stolen.

## HOW TO AVOID IDENTITY THEFT

### How to minimize the risk of identity theft

**1. Protect your Social Security Number (SSN), credit card and debit card numbers, PINs (personal identification numbers), passwords, and other personal information.**

Never provide this information in response to an unwanted phone call, fax, letter, or email, no matter how friendly or official the circumstances may appear.

In case your wallet gets lost or stolen, carry only the identification, checks, credit cards, or debit cards you really need. The rest, including your Social Security card, are best kept in a safe place. Also, be extra careful if you have housemates or if you let others into your house, because they may find personal information and use it without your knowledge.

Likewise, do not preprint your Social Security number, phone number, or driver's license number on your checks. It is too easy for someone who sees your check to copy this personal information and even sell it to an identity (ID) thief. Remember that you have the right to refuse requests for your SSN from merchants, because they may have other ways to identify you. If your Social Security number is on your driver's license, ask to use another number.

**2. Protect your incoming and outgoing mail.**

Chances are that your mail carrier will deliver a credit card or bank statement, an envelope containing a check, or other items that can be very valuable to a thief. Or perhaps you will mail a check or papers containing account numbers or other personal financial information.

*For incoming mail:* Try to use a locked mailbox or other secure location, such as a P.O. box. If your mailbox is not locked or in a secure location, try to promptly remove mail that has been delivered or move the mailbox to a safer place. When ordering new checks, ask about getting the boxes delivered to your bank branch instead of having them mailed to your home and running the risk of finding them sitting outside your front door.

*For outgoing mail containing a check or personal information:* Deposit it in a U.S. Postal Service blue collection box, hand it to a mail carrier, or take it to the post office instead of leaving it in your doorway or home mailbox. A mailbox that holds your outgoing bills is a prime target for thieves who cruise neighborhoods looking for account information. Even worse is putting up the flag on a mailbox to indicate that outgoing mail is sitting there.

## HOW TO AVOID IDENTITY THEFT (Continued)

### 3. Sign up for direct deposit.

Sign up for direct deposit of your paycheck or state or federal benefits, such as Social Security. Direct deposit prevents someone from stealing a check out of your mailbox and forging your signature to access your money.

### 4. Keep your financial trash "clean."

Thieves known as "dumpster divers" pick through garbage looking for pieces of paper containing Social Security numbers, bank account information, and other details they can use to commit fraud. Examples of valuable trash include insurance information containing your SSN, blank checks mailed by financial institutions with offers to "write yourself a loan," canceled checks, and bank statements.

Your best protection against dumpster divers? Before tossing out these items, destroy them, preferably using a crosscut shredder that turns paper into confetti that cannot be easily reconstructed.

### 5. Keep a close watch on your bank account statements and credit card bills.

Monitor these statements each month and contact your financial institution immediately if there is a discrepancy in your records, or if you notice something suspicious such as a missing payment or an unauthorized withdrawal. While federal and state laws may limit your losses if you are a victim of fraud or theft, your protections may be stronger if you report the problem quickly and in writing.

Contact your institution if a bank statement or credit card bill does not arrive on time. Such missing mail could be a sign someone has stolen your mail and/or account information and perhaps has changed your mailing address to run up big bills in your name from another location.

### 6. Avoid ID theft on the Internet.

"Hackers" and scam artists are finding ways to steal private information transmitted over the Internet or stored on computer systems. You can protect yourself while shopping, banking, emailing, or surfing the Web. For example, never provide bank account or other personal information in response to an unsolicited email or when visiting a Website that does not explain how your personal information will be protected.

## HOW TO AVOID IDENTITY THEFT (Continued)

“Phishing” scams that arrive by email typically ask you to “update” your account information. However, legitimate organizations would not ask you for these details because they already have the necessary information or can obtain it in other ways. Do not respond to these emails, and do not open any attachments unless you independently confirm the validity of the request by contacting the legitimate organization the way you usually would, *not* by using the email address, Website, or phone number provided in the email. If you believe the email is fraudulent, consider bringing it to the attention of the Federal Trade Commission (FTC). If you do open and respond to a phony email, contact your financial institution immediately.

Take precautions with your personal computer (PC). For example, install a free or low-cost “firewall” to stop intruders from gaining remote access to your PC. Download and frequently update security “patches” offered by your operating system and software vendors to correct weaknesses that a hacker might exploit. Use passwords that will be hard for hackers to guess. For example, use a mix of numbers, symbols, and letters instead of easily guessed words. Also, shut down your PC when you are not using it.

To get more information about computer security and safeguarding personal information, visit the Federal Trade Commission's Website at [www.ftc.gov/infosecurity](http://www.ftc.gov/infosecurity). For more about avoiding phishing scams, or to obtain a brochure with tips on avoiding identity theft, visit [www.fdic.gov](http://www.fdic.gov).

### **7. Exercise your new rights under the Fair and Accurate Credit Transactions Act (FACTA) to review your credit record and report fraudulent activity.**

Your credit report, which is prepared by a credit bureau, summarizes your history of paying debts and other bills. Credit reports are used by lenders, employers, and others who have a legal and legitimate need for the information.

For many years, you have had the right under federal law to obtain a free copy of your credit report in certain circumstances. Under long-standing practices in the credit reporting industry, you have been able to request that a “fraud alert” be placed in your credit file if you suspect that a criminal is attempting to open new accounts in your name. FACTA expands your rights in these areas.

FACTA allows you to get one free credit report each year from each of the three major credit bureaus that operate nationwide – Equifax, Experian, and TransUnion – with just a single phone call, letter, or electronic request. This is a change from previous law, because you can get a copy even if you do not suspect ID theft or any other problem with your credit report. (See more details at [www.annualcreditreport.com](http://www.annualcreditreport.com), or call 877-322-8228.)

## HOW TO AVOID IDENTITY THEFT (Continued)

After you get your credit report, look for warning signs of actual or potential ID theft. These include mention of a credit card, loan, or lease you never signed up for and requests for a copy of your credit record from someone you do not recognize (which could be a sign that a con artist is snooping around for personal information).

### 8. Get more information.

Contact the National Internet Fraud Watch Information Center at [www.fraud.org](http://www.fraud.org) or call 800-876-7060.

Visit the Federal Trade Commission Website: [www.ftc.gov/idtheft/](http://www.ftc.gov/idtheft/), or call 877-IDTHEFT (438-4338).

### **What to do if you suspect you are a victim of identity theft**

The FTC recommends the following actions if you believe you are a victim of identity theft. You can also call the FTC's Identity Theft Hotline at 877-IDTHEFT (438-4338) or visit <http://www.ftc.gov/idtheft/>.

#### **Act Fast**

- Take action immediately! Keep records of your conversations and all correspondence.
- File a report with your local police. Get a copy of the police report, so you have proof of the crime.
- Contact your creditors about any accounts that have been changed or opened fraudulently. Ask to speak with someone in the security or fraud department.



## HOW TO AVOID IDENTITY THEFT (Continued)

### Fraud Alerts

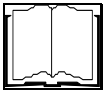
- Contact the fraud department of any of the three major credit reporting agencies. The agency you call is required to notify the other two credit agencies. Tell them you are an identity theft victim.
- If you suspect you have been a victim of ID theft or think you are about to be (for example, if your wallet is stolen), you have the right to place an **"initial"** fraud alert in your credit file. You can do this by calling, writing, or visiting any of the three credit agencies online. This initial fraud alert will last for 90 days.
- If you know you are a victim of identity theft, you also may have an **"extended"** fraud alert placed in your credit file. The extended alert requires a lender to contact you and get your okay before authorizing any new account in your name. It is effective for 7 years. To place an extended alert in your credit file, you must submit your request in writing and include a copy of an ID theft report filed with a law enforcement agency (such as the police) or with the U.S. Postal Inspector.
- When you place a fraud alert on your file, you can get a free copy of your credit report if you ask.
- Active-duty military personnel have the right to place an alert in their credit files so that lenders acting on loan applications can guard against possible ID theft.

**IDENTITY THEFT (Continued)**



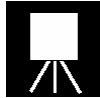
*Introduce the topic by asking students ...*

What would you do if your wallet or purse were lost or stolen?



*What to Do if Your Wallet or Purse Is Lost or Stolen*

*Have students call out the answers.*



*Write responses on chart paper.*

*Refer students to What to Do if Your Wallet or Purse Is Lost or Stolen on page 19 of their Participant Guide.*

*Review the tips with students, using Instructor Aid #13 on the next page to guide you.*



*When you have finished reviewing the list, ask students...*

Do you have any questions?



*Transition to the next topic.*

Let's look at another serious problem you should be aware of: elder financial abuse.

## WHAT TO DO IF YOUR WALLET OR PURSE IS LOST OR STOLEN

If your wallet or purse is lost or stolen, the Federal Trade Commission (FTC) suggests you:

- File a report with the police as soon as possible. Keep a copy of the report in case your bank or insurance company needs proof of the crime.
- Cancel your credit cards immediately. Get new cards with different numbers.
- Place a fraud alert on your credit report by calling any of the major credit reporting agencies:

Equifax: 800-525-6285

TransUnion: 800-680-7289

Experian: 888-397-3742

- Report the loss to your bank. You might want to open new checking and savings accounts and stop payment on any lost checks.
- Contact the major check verification companies to request that they notify stores that use their databases not to accept these checks. You can also ask your bank to notify the check verification service with which it does business. Two of the check verification companies that accept reports of check fraud directly from consumers are:

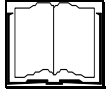
TeleCheck: 800-366-2425

Certegy: 800-437-5120

- Get a new ATM card with a new number and password.



*21: Elder Financial Abuse*  
*Define elder financial abuse.*



*Elder Financial Abuse*

## ELDER FINANCIAL ABUSE

Elder financial abuse is occurring at an alarming rate. It involves using an elder's money or assets contrary to his or her wishes, needs, or best interests, for the abuser's personal gain.

Let's look at some examples of elder financial abuse, who the perpetrators are, who is at risk, what the indicators are that abuse is occurring, and what can be done to prevent it.

*Refer students to Elder Financial Abuse on page 20 of their Participant Guide.*

*Review the information with them. Use Instructor Aid #14 on the next page to guide you.*



*When you have finished reviewing the information, ask students ...*



*Transition to the next topic.*

Do you have any questions about elder financial abuse?

Finally, we need to look at some steps you can take to be financially prepared in the event a disaster occurs.

## ELDER FINANCIAL ABUSE

### **What is elder financial abuse?**

Elder financial abuse is using an elder's money or assets contrary to the elder's wishes, needs, or best interests, for the abuser's personal gain

### **What are examples of elder financial abuse?**

Elder financial abuse covers a wide range of activities, including:

- Taking money or property.
- Forging an older person's signature.
- Getting an older person to sign a deed, will, or power of attorney through deception, coercion, or undue influence.
- Using the older person's property or possessions without permission.
- Promising lifelong care in exchange for money or property and not following through on the promise.
- Committing confidence crimes ("cons") against older people, using deception to gain their confidence.
- Scamming older people through the use of fraudulent or deceptive acts.
- Committing fraud against older people through the use of deception, trickery, false pretence, or dishonest acts or statements for financial gain.
- Using telemarketing to commit scams against older people. Perpetrators call victims and use deception, scare tactics, or exaggerated claims to get them to send money. They may also make charges against victims' credit cards without authorization.

### **Who are the perpetrators of elder financial abuse?**

Family members, including children, grandchildren, or spouses. They may:

- Have substance abuse, gambling, or financial problems.
- Stand to inherit and feel justified in taking what they believe is "almost" or "rightfully" theirs.
- Fear that their older family member will get sick and use up his or her savings, depriving the abuser of an inheritance.
- Have had a negative relationship with the older person and feel a sense of "entitlement."
- Have negative feelings toward siblings or other family members whom they want to prevent from acquiring or inheriting the older person's assets.

## ELDER FINANCIAL ABUSE (Continued)

### Who is at risk?

The following conditions or factors increase an older person's risk of being victimized:

- Isolation.
- Loneliness.
- Recent losses.
- Physical or mental disabilities.
- Lack of familiarity with financial matters.
- Family members who are unemployed and/or have substance abuse problems.

### How can elders be made less of a target?

Here are some lifestyle factors that will help you assess if an elder is at risk for financial abuse:

- Does the elder live alone?
- Does the elder still drive? If so, he or she may be prone to crashes, or to being victimized by driving-related scams.
- Does the elder spend a lot of time on foot in public places? If so, he or she may be targeted by exploiters who search for elderly victims at places such as banks, stores, parks, malls, and libraries.
- How many local friends does the elder have?
- Does the elder have information about housing options, care choices, and support groups?
- Have the elder's outside activities decreased over the past few years?
- Does the elder have family members in the area? Do they maintain weekly contact?
- How many local friends does the elder have?
- Who regularly checks the status of the elder's bank accounts, charge or credit accounts, or investments?
- Where and from whom is the elder getting financial and medical advice?
- Who oversees the elder's power of attorney?
- Does the elder seek advice of fortunetellers or psychic advisors?
- Does the elder know when and how to call the police for emergencies and non-emergencies, such as suspicious persons?

## ELDER FINANCIAL ABUSE (Continued)

### **How can I be more careful in employing caregivers?**

Consider these factors when employing caregivers:

- Is the caregiver hired from a reputable agency?
- Have the caregiver's references been checked?
- Has a criminal background check been done on the caregiver?
- Are the elder's checks, credit cards, etc., locked up?
- Is there a written service agreement, signed by the caregiver and elder, specifying duties and pay?
- Is there a log of workers, hours, and salary payments?
- Is there a weekly review of caregiver expenses?

### **Where can I find out more about elder financial abuse?**

For more information, contact your state's Adult Protective Services department. You may also contact the U.S. Department of Health and Human Services' Elder Care Locator at [www.eldercare.gov](http://www.eldercare.gov) or 800-677-1116 for a referral to services in your community.

**HOW TO BE FINANCIALLY PREPARED FOR DISASTERS**



*22: When Disaster Strikes  
Explain why preparing for disasters is important*

Natural or man-made disasters strike without warning and can happen to anyone. These include floods, fires, earthquakes, tornadoes, hurricanes, or similar events that can force people to evacuate their homes. Even minor disasters can damage or destroy property or other belongings. They can also seriously impair your ability to conduct essential financial transactions.

In addition to planning for your family’s safety and basic needs such as shelter, food, and water, you should be ready to deal with financial challenges, such as how to pay for supplies or temporary housing, if necessary.



*Ask students ...*

Suppose you knew in advance that you would have to evacuate your home and would be away for several days or even weeks.

What steps do you think you should take in advance so that you are financially prepared?



*Write students’ responses on chart paper.*

Those are excellent ideas. There are several other steps that you can take to prepare your family for such an emergency.



*How to Be Financially Prepared When Disaster Strikes*

*Hand out How to Be Financially Prepared When Disaster Strikes to students.  
Review as much of the information you can in the time available. Use Instructor Aid #15 on the next page to guide you.  
Relate students’ responses to the information in the handout.*



*When you have finished reviewing the information, ask students ...*

Do you have any questions about how to be financially prepared when disaster strikes?



*Transition to the next topic.*

Let’s review what we have learned today.



## HOW TO BE FINANCIALLY PREPARED WHEN DISASTER STRIKES

### What to have ready

Consider keeping the following documents, bank products, and other items in a secure place and readily available in an emergency:

**Forms of identification:** These primarily include driver's licenses (or state ID cards for nondrivers), insurance cards, Social Security cards, passports, and birth certificates. These documents will be crucial if you or your family should need to rebuild lost records or otherwise prove to a government agency, a bank, or other business that you are who you claim to be. It is best to have the originals, but it is also important to have photocopies of these documents in case originals are misplaced or destroyed. Never keep the originals with the copies.

**Your checkbook with enough blank checks and deposit slips to last at least a month:** Your need for checks will vary depending on how long you may be displaced or how often you write checks. Even if you rarely or never write checks, at least consider having a copy of a check or your checking account number handy. That is because, in an emergency, you can authorize an important payment by providing the recipient (for example, an insurance company) your checking account number over the phone.

**Automated teller machine cards, debit cards (for use at ATMs and merchants), and credit cards:** These cards give you access to cash and may help you pay outstanding bills. Make sure you know the personal identification numbers (PINs) for your ATM and debit cards. Do not write your PINs on or near your cards in case they are lost or stolen. Also, do not assume that merchants and ATMs in areas affected by a disaster will immediately be functioning as usual — that is why it is smart to have other options available for getting cash and making payments.

**Cash:** The amount you should have available will depend on several factors, including the number of people in your family and your ability to use ATMs and debit and credit cards to get more cash or to make purchases. But remember that cash in your house or wallet and not in your bank account can easily be lost or stolen.

**Phone numbers for your financial services providers:** These include local and toll-free numbers for your bank, credit card companies, brokerage firms (for stocks, bonds, or mutual fund investments) and insurance companies. Why have these numbers handy? You may need to defer a payment, replace lost cards or documents, open new accounts, or otherwise request assistance. If you have people you regularly deal with, have their phone numbers on your list, too. Working with someone who knows you can speed things up and provide you with some additional peace of mind.

## HOW TO BE FINANCIALLY PREPARED WHEN DISASTER STRIKES (Continued)

**Important account numbers:** These include bank and brokerage account numbers, credit card numbers, and homeowner's or renter's insurance policy numbers. You may want to copy the front and back of your credit cards (and keep them in a safe place). Often, if you have a copy of your credit card and a valid ID, you can make a purchase without having your actual card. Plus, the photocopies can help you keep track of your account numbers and company phone numbers.

**The key to your safe deposit box:** You cannot get into your safe deposit box at the bank without your key, no matter how many forms of identification you have. Also, while many banks issue two keys when a box is rented, simply giving someone else a key does not allow that person access to a box in an emergency. He or she also must be designated in the bank's records as a joint renter or be appointed a deputy or agent who has access to your box. Contact your bank about the proper arrangements.

### What to keep and where to keep it

After you have gathered your most important financial items and documents, protect them as well as you can while also ensuring you have access to them in an emergency. Here is a reasonable strategy for many people:

- Make backup copies of important documents.
- Consider making an electronic image of your documents using a computer scanner so you can more easily store the information.
- Consider giving a copy of your documents to loved ones, or at least let them know where to find the documents in an emergency.
- Considering storing your backups some distance from your home, even in another state, in case the disaster impacts your entire community.

**Determine what to keep at home and what to store in a safe deposit box at your bank.** A safe deposit box is best for protecting certain papers that could be difficult or impossible to replace but not anything you might need to access quickly. What should you put in a safe deposit box? Examples include a birth certificate and originals of important contracts. What is better left safely at home, preferably in a durable, fireproof safe? Your passport and medical care directives come to mind because you might need these on short notice. Consult your attorney before putting an original will in a safe deposit box. That is because a few states do not permit immediate access to a safe deposit box after a person dies, so there may be complications accessing a will in a safe deposit box.

## HOW TO BE FINANCIALLY PREPARED WHEN DISASTER STRIKES

(Continued)

**Seal the most important original documents in airtight and waterproof plastic bags or containers to prevent water damage.** You may also not have immediate access to your safe deposit box in the event of a disaster.

**Prepare one or more emergency evacuation bags.** Most of what you are likely to pack inside will be related to personal safety, such as first aid kits, prescription medications to last several days, flashlights, and so on. But your emergency kit also is the place to keep some essential financial items and documents, such as cash, checks, copies of your credit cards and identification cards, a key to your safe deposit box, and contact information for your financial services providers. Also, periodically review the contents of the bag to make sure the contents are up-to-date. It will not do you any good if the checks are for a closed account.

Make sure each evacuation bag is waterproof and easy to carry, and that it is kept in a secure place in your home.

### What else to consider

**Sign up for direct deposit.** Having your paycheck and other payments transmitted directly into your account will give you better access to those funds by check or ATM because you will not have to deliver the deposit to the bank or rely on mail service, which could be delayed. **Note:** There could be delays in the processing of direct deposits in a disaster situation but the problem is usually fixed within a reasonable time frame.

**Arrange for automatic bill payments from your bank account.** This service enables you to make scheduled payments, such as for your phone bill, insurance premiums and loan payments, and avoid late charges or service interruptions.

**Consider signing up for Internet banking services.** This also makes it possible to conduct your banking business without writing checks.

**Review your insurance coverage.** Make sure you have enough insurance, including flood, earthquake, and personal property coverage, as applicable, to cover the cost to replace or repair your home, car and other valuable property.

### Where to find out more

To find out more about being financially prepared for disasters, visit [www.fdic.gov](http://www.fdic.gov) and type in *disaster preparedness* in the search box.

**SUMMARY AND CONCLUSION****Summary**

Congratulations! You have completed the Keep It Safe module. We have covered a lot of information today about how to protect your finances and identity. You learned about:

- The laws and regulations that protect your deposits.
- The laws and regulations that protect you when applying for a loan.
- Predatory lending practices and how to avoid them.
- Identity theft and how to avoid being a victim of it.
- Elder financial abuse and how to protect elders from it.
- Financial preparedness in the event of a disaster.

Protecting your finances and identity is important. You are now better prepared to do so.

Do you have any final questions?

**Evaluation Form**

To improve the training, we will need your feedback. The After-the-Training column on the What Do You Know? form and the Evaluation Form will identify changes that can make this training better.

Please complete the After-the-Training column and the Evaluation Form now.

Great job on completing the Keep It Safe module! Thank you for participating.

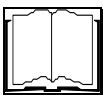


*Review what was covered in the course.*

*Review the chart papers with students' expectations, questions, and concerns to make sure they have all been covered.*



*Ask students ...*



*Refer students to pages 23-25 of their Participant Guide.*

*Allow time for students to complete it.*

*Make sure you collect all the forms.*

## WHAT DO YOU KNOW? – KEEP IT SAFE

Instructor: \_\_\_\_\_ Date: \_\_\_\_\_

This form will allow you and the instructors to see what you know about savings both before and after the training. Read each statement below. Please circle the number that shows how much you agree with each statement.

I know:	Before the Training				After the Training			
	Strongly Disagree	Disagree	Agree	Strongly Agree	Strongly Disagree	Disagree	Agree	Strongly Agree
1. The laws and regulations that protect my deposits.	1	2	3	4	1	2	3	4
2. The laws and regulations that protect me when applying for a loan.	1	2	3	4	1	2	3	4
3. How to guard against predatory lending practices and identity theft.	1	2	3	4	1	2	3	4
4. What to do to be financially prepared for disasters.	1	2	3	4	1	2	3	4

## EVALUATION FORM

This evaluation will allow you to assess your observations of the Keep It Safe module. Please indicate the degree to which you agree with each statement by circling the appropriate number.

<p>1. Overall, I felt the module was:</p> <p style="padding-left: 40px;"><input type="checkbox"/> Excellent</p> <p style="padding-left: 40px;"><input type="checkbox"/> Very Good</p> <p style="padding-left: 40px;"><input type="checkbox"/> Good</p> <p style="padding-left: 40px;"><input type="checkbox"/> Fair</p> <p style="padding-left: 40px;"><input type="checkbox"/> Poor</p>	<p><b>Strongly Disagree</b></p> <p><b>Disagree</b></p> <p><b>Neutral</b></p> <p><b>Agree</b></p> <p><b>Strongly Agree</b></p>																																																												
<p>2. I achieved the following training objectives:</p> <p style="padding-left: 20px;">a. Identify the laws and regulations that protect my deposits.</p> <p style="padding-left: 20px;">b. Identify the laws and regulations that protect me when applying for a loan</p> <p style="padding-left: 20px;">c. Guard against predatory lending practices and identity theft</p> <p style="padding-left: 20px;">d. Describe how to be financially prepared for disasters</p> <p>3. The instructions were clear and easy to follow.</p> <p>4. The overheads were clear.</p> <p>5. The overheads enhanced my learning.</p> <p>6. The time allocation was correct for this module.</p> <p>7. The module included sufficient examples and exercises so that I will be able to apply these new skills.</p> <p>8. The instructor was knowledgeable and well prepared.</p> <p>9. The worksheets are valuable.</p> <p>10. I will use the worksheets again.</p> <p>11. The students had ample opportunity to exchange experiences and ideas.</p>	<table border="1"> <tbody> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> </tbody> </table>	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
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<p>12. My knowledge/skill level of the subject matter before taking the module.</p> <p>13. My knowledge/skill level of the subject matter upon completion of the module.</p>	<table border="1"> <thead> <tr> <th colspan="3">None</th> <th colspan="3">Advanced</th> </tr> </thead> <tbody> <tr><td>0</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>0</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> </tbody> </table>	None			Advanced			0	1	2	3	4	5	0	1	2	3	4	5																																										
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**Continued on next page ...**

## EVALUATION FORM (Continued)

### Instructor Rating

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Please use the response scale and circle the appropriate number.

<b>Response Scale:</b> 5 <b>Excellent</b> 4 <b>Very Good</b> 3 <b>Good</b> 2 <b>Fair</b> 1 <b>Poor</b>	<b>Name of Instructor</b>				
Objectives were clear & attainable	5	4	3	2	1
Made the subject understandable	5	4	3	2	1
Encouraged questions	5	4	3	2	1
Had technical knowledge	5	4	3	2	1

What was the most useful part of the training?

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What was the least useful part of the training?

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