

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

Rent-to-Own: Great Bargain or Bad Idea?

There's no denying the allure of renting-to-own merchandise: You can have that big-screen TV or that new washing machine today without having to pay for it all today. You get low weekly, biweekly or monthly payments. There's no credit check involved. And if you later decide you don't like it, you can simply take it back. But are you really getting a "deal.?"

If you look at it from a financial standpoint, the answer is no. Rent-to-own customers typically pay from two-to-five times as much to own an item as they would if they had bought it through a retail store. For example, the website bankrate.com compared the cost of buying a 27 inch TV through a well-known rental chain Vs. through a popular retail store and came up with the following numbers: If you were to rent it and pay it off within 90 days, the total cost would be about \$628.53. If you rented it and paid it off in installments of \$18.33 a week for 61 weeks, you'd eventually own it at a cost of \$1,118.13. Finally, if you purchased it through the retail store using their financing terms (4-years at 14.5% interest), you'd eventually own it for the much lower cost of \$403.56 (and you'd still get to take it home today!) Essentially, when you rent-to-own, you are fi-

ancing your merchandise at what end up to be triple digit interest rates, so you're paying a very high cost to own something that you could have had much cheaper if you'd financed it through a store, on a credit card, or— best case scenario— saved and paid cash for it.

If you're still inclined to rent, however, the following tips can help ensure you get a fair deal:

Nail down the fine print—how much are the payments, does that include tax, and are there any add-on fees.

Find out when payments are due, if there is a grace period and what the late fees are. You also want to find out if a late payment voids the contract. If it does, and you want to be able to re-instate the contract and not lose the money you've paid thus far, is there a charge for doing so?

Find out who is responsible if the merchandise is broken, lost or stolen—By law, the person who owns the object—in this case the store—should be responsible, but many rent-to-own contracts shift responsibility to the customer.

Make sure your contract spells out your expectations— for example, do you expect to get brand new

merchandise? If so, the item should be delivered in a box with all of the manuals and information enclosed.

In closing, remember that as with any contract, what is in writing supercedes what you're told verbally, so read all fine print carefully!

Dollar Savers:

Vinegar, Part 2!

- Prevent cats from digging in plants by adding vinegar to the misting water
- Repel fleas on dogs by adding about 1 cc of vinegar for every 2 pounds of the dog's weight to his food (not water) every day. For a 60-pound dog, that's about 2 tbsp.
- Use distilled vinegar to help remove stubborn decals. After a few minutes of soaking, you should be able to scrape them off.
- Use white vinegar to remove dried paint. Heat until lukewarm and apply with a plastic scrubbing pad.

Payment Address

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Have you filed your taxes yet? The deadline for filing is April 17th if no extension is requested. If you're in the Tampa Bay area, Genesis may be able to assist you with FREE tax preparation services. If you live elsewhere, check with your local IRS office for any free services that may exist in your community.



Speaking of credit scores...

It was just recently announced that Equifax, Experian and Transunion would be adopting a universal scoring model. Currently, all three bureaus use slightly different models, thus causing confusion for consumers who receive three different scores and more work for lenders who have to come up with an average. The universal scores will range from 550-900 and will be paired with corresponding letter grades of A-F. They should be available to consumers later this year.

Your credit score can open all kinds of doors. So how do you take it from "not so great" to "really good"?

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Your Savings Toolbox: Bonds

Bonds represent an "IOU" given to you by a government entity, corporation or financial institution into which you've invested some money. In exchange for investing a certain amount of money, you receive a certificate that promises to pay interest on a regular basis (either at a fixed or variable rate) and to

pay back your principal at a specific date in the future known as "maturity."

Bonds offer the advantages of a fairly secure stream of income, less potential for loss of money (such as with more aggressive investments like stocks), and some tax benefits. But because they are fairly conservative invest-

ments they also will typically not earn you as much as stocks, real-estate or other riskier ventures.

There are many different types of bonds, each with its own rules for purchasing, earning interest and redeeming. To learn more about bonds and other types of investments, visit www.investing.rutgers.edu.

Money Smart Topic of the Month: Boosting Credit Scores

Because your credit score is used to determine not only if and under what terms you'll be granted new credit but also whether or not you can get a decent rate on car insurance or even a job, it pays to know what that number is and to do everything possible to boost it up. Here are four steps you can take to build a solid credit reputation:

1. **See what lenders see**—check all three of your credit reports at least once a year by visiting AnnualCreditReport.com. The reports are free, but you'll need to purchase your score for about \$7
2. **Polish your profile**—Make sure to quickly correct any errors on your report by filing a written dispute with the bureau that issued it. Also make sure you're
3. **Protect your reputation**—guard your personal information very

paying your current bills on time. And try to keep your credit usage at 30% or less of your available limit. The higher percentage of credit you use relative to your limits, the lower your score may be. Be cautious about closing out credit card accounts you've had for a long time, even if you no longer intend to use them, as that reduces your effective "history" and also your score. You should also be picky about the lenders you use. You can be docked points for using finance companies (considered lenders of last resort) Vs. more traditional banks or credit unions.

carefully to reduce the possibility of identity theft. Don't carry your social security card in your wallet, shred bank and credit card statements after you've looked at them, and call 888-5OPTOUT to put a stop to pre-screened credit card offers via mail (which can be a target for mail thieves or trash-divers)

4. **Repair your credit**—Focus on your recent past. Negative credit can stay with you for up to 7 years (10 in the case of bankruptcy), but what you've done in the past two years is more important to a lender than what you did prior to that, so make sure the past 24 months show a history of timely payments and reasonable balances.

Please Note: Watch For Correspondence Via E-Mail

If you have an e-mail address on file with us, you will now be receiving your monthly progress reports, as well as any other correspondence related to your account, through email rather than by postal mail.

In an effort to conserve paper and improve the speed with which timely informa-

tion is sent out, we've made the transition to this new system that we hope you'll find even more efficient and helpful.

If you would prefer to receive correspondence through regular mail instead of via e-mail, please let us know. If you do not have an e-mail address on file, you

will continue to receive reports and letters through regular mail.

Finally, if your e-mail address has changed recently, please contact us to ensure we have the correct address on file so that correspondence continues uninterrupted.

Our Website Has a Brand New Look!: www.YourGFM.com