



Credit Card Billing Mistakes

Over the holiday period and during the sales, you will probably use your credit cards to make dozens of purchases. You also might return items and have amounts refunded to your credit card, and purchase items online. In an age of identity theft, it is more important than ever to keep track of your purchases and returns and to pay attention to your account statements ensuring that no mistakes have been made. The good news is that a federal law, the **Fair Credit Billing Act**, gives you valuable rights if there are billing errors on your credit card or department store accounts. Your lawyer can give you more information about the act and advice on the steps to take if you notice major billing mistakes on your credit card statements.

What are Billing Errors?

The Fair Credit Billing Act requires credit grantors to correct billing errors promptly. The act defines **billing errors** as:

- unauthorized charges; these include charges made by someone not authorized to use your card, and automatic charges you authorized for a service or subscription that you have since cancelled;
- charges that are not properly identified on your monthly statement or that are for amounts different from the actual purchase price; or
- charges for something that you refused to accept on delivery because it was unsatisfactory or that the supplier did not deliver according to your agreement.
- errors in arithmetic or multiple charges for a single transaction;

Billing errors may also include:

- failure to reflect a payment that you made or other credit to your account, such as a return; or
- failure to mail a billing statement to your current address (if the credit grantor received notice of that address at least twenty days before the end of the billing period.)

Keeping Track of Your Bills

Of course, you're unlikely to notice any billing errors if you do not check your credit card statements against a record of your purchases. Your statement usually gives only the date of purchases, the price, and the store from which you bought each item. Credit card statements can be difficult to decipher when the statement only includes a merchant's corporate name (such as "ABC, Inc.") rather than the store name (such as "Candy's Groceries"). It's a good idea to check your statement against sales receipts. If you keep sales receipts, you may also return an item in the event that it is defective, damaged, or the wrong size or color.

Reporting Billing Errors

If you notice any billing errors, you should write or telephone the card issuer promptly. As a practical matter, most consumers would prefer to call the card issuer's 800 number for billing questions, and most disputes can be settled in this way. (You can find the correct 800 number on your billing statement.)

Cont'd on Page Two

New Bankruptcy Law Now in Effect

It's easy to spend too much money on credit cards at any time of the year, but it can be particularly difficult to stick to a budget during the holiday season. If you have seriously overextended your credit and have more debt than you can handle, then you have several options, including credit counseling and debt consolidation. The most serious step you can take is filing for bankruptcy.

If you are considering filing for bankruptcy, then you need to know that a new bankruptcy law, the Bankruptcy Abuse Prevention and Consumer Protection Act, came into effect on October 17, 2005. Under the new law, you must get credit counseling from a government-approved organization within six months before you file for bankruptcy protection. (You can find a list of these organizations at www.usdoj.gov/ust). The law implements a new "means test" to determine whether a debtor is eligible to file for bankruptcy under chapter 7 (under which all non-exempt assets are sold and most unsecured debts are discharged), or must file under chapter 13 (under which a portion of unsecured debts must be repaid from wages over three to five years). Now that the new bankruptcy law is in effect, it is more important than ever to seek legal advice early if you are concerned about your debt burden.



Continued from Page 1—Credit cards

However, the Fair Credit Billing Act only protects written—not telephone—inquiries, so making a written inquiry will better preserve your legal rights. Do not include written inquiries about billing errors with your payment. Instead, you should check the billing statement for the correct address for where to send billing questions. The letter should contain your name, address, and account number. State that you believe your bill contains an error, specify the charge at issue and explain why you believe it is wrong, and include the date and suspected amount of the error. Include copies of any sales receipts or other documentation that may be relevant. It's also a good idea to send your letter by certified mail requesting a return receipt, so that you have proof that you sent the letter to the correct address.

Either a written or telephone inquiry must be made within sixty days of the statement date. The sixty-day time limit is very important; if you fail to observe it, you may forfeit your rights under the Fair Credit Billing Act. After you have notified a creditor of a billing error, the law requires the creditor to acknowledge your letter within thirty days (unless the credit grantor can fix the billing error in less time). The credit card issuer must resolve the dispute within two billing cycles (but not more than ninety days) after receiving your letter.

Following the Rules

If the credit grantor does not follow each of the time limits and other requirements in the Fair Credit Billing Act, then it cannot collect the disputed amount or related finance charges, even if the disputed bill turns out to be correct and the amount is thus money you truly owe. For this reason, it's important to keep track of the dates on which you sent correspondence to the creditor, and the dates on which you received replies.

If the Bill Is Correct

If the credit grantor finds that the disputed bill is correct and you do not want to take the matter further, then you must pay the bill and any related finance charges or late fees. You may ask for copies of relevant documents. If you fail to remit payment, then the credit grantor may take action to collect the amount and may report you to credit bureaus as overdue for the amount in question. If you still disagree with the credit grantor's finding, you should notify the grantor of your views in writing within ten days.

If you refuse to pay the disputed amount, then the creditor may begin collection procedures and may report you to a credit bureau. However, in its report to the credit bureau, the credit grantor must state that you do not believe you owe the money. Remember, if a creditor reports negative information about you to a credit bureau, it can affect your credit score and make it more difficult for you to get credit in the future.

If you are unable to resolve the dispute to your satisfaction, you may want to consult a lawyer.

Complaints and Litigation

The Federal Trade Commission enforces the Fair Credit Billing Act for most creditors. To file a complaint or to get free information on consumer issues, you can use the complaint form at www.ftc.gov.

It is also possible to sue a creditor who violates the Fair Credit Billing Act. Courts have the ability to award twice the amount of any finance charges between \$100 and \$1000 (i.e., a maximum of \$2000) and may also award damages in some cases. Your lawyer can give you more information about pursuing litigation under the act.

Effect on Your Credit Rating

A credit grantor may not threaten your credit rating because you failed to pay a disputed amount, a related finance charge, or other charges while you're trying to resolve a billing dispute. Once you have taken the steps described above by writing down the details of the billing dispute and sending them to the credit grantor, the law prohibits the credit grantor from reporting the account as delinquent because you have not paid the disputed amount or related charges. Until the credit grantor answers your complaint, the law forbids it from taking any action to collect the amount in dispute. You must, however, continue to pay any undisputed amounts.

In addition, the Equal Credit Opportunity Act prohibits creditors from discriminating against people who have exercised their rights under the Fair Credit Billing Act when they are applying for credit. Simply put, you cannot be denied credit simply because you've disputed a bill. If you think a mistake has been made, you have nothing to lose by making an enquiry.



The New Medicare: Part D

As most people know, the federal government provides a program of basic health care insurance for older and disabled persons called **Medicare**. Practically everyone age 65 and older is eligible for Medicare, which consists of three main parts. Medicare Part A covers medically necessary care in hospitals and other facilities, such as skilled nursing facilities and hospices. Medicare Part B, the medical insurance part, covers physician's services and a variety of other services and supplies. Then we skip a letter of the alphabet to Medicare Part D, which covers prescription drugs. Part D came into effect on January 1, 2006, and replaces the temporary drug discount program that will be phased out by May 2006. If you have high prescription drug costs, you may wish to talk to your lawyer about signing up for Medicare Part D as part of your financial planning for retirement.

How Does Medicare Part D Work?

In order to get prescription drug coverage under Medicare Part D, Medicare beneficiaries must sign up for a **Medicare Prescription Drug Plan**. There are many different drug plans that are administered by different private entities, such as health insurance or managed care plans. Different plans have different premiums, deductibles, coinsurances, and benefits, within certain guidelines established by the government. You may also wish to consider which pharmacies are part of the plan, and whether the plan has a mail-order option. The average monthly premium for the standard Medicare plan is about \$32.

The plans limit coverage to a specific list of drugs (called a **formulary**), which can change during the year. There are 112 different categories of illness, injury, and affliction, and every drug plan must cover at least two prescription drugs in each category. So, if you are taking a prescription drug, you should be able to find the drug you need if you compare plans in consultation with your doctor and shop carefully.

What Are the Options?

The following four options are available to Medicare beneficiaries:

1. You can stay in traditional fee-for-service Medicare and enroll in a stand-alone prescription drug plan;
2. You can join or remain in a Medicare Advantage plan (such as an HMO or PPO) and get all Medicare benefits through the plan;
3. You can remain with current coverage from another source. If you receive drug coverage from another source, such as an employer, union, or Medigap policy, you will be notified by your current plan whether the current drug coverage will continue, and if it is at least as good as Medicare drug coverage. You will need to find out how the current drug plan works with Medicare before making a decision to enroll in a Medicare drug plan;
4. You can decide not to enroll in a Medicare plan at this time and

4. You can decide not to enroll in a Medicare plan at this time and go without prescription coverage altogether. As explained below, you will face higher rates if you decide to enroll later.

Enrolling in Medicare Part D

Enrolling in Medicare Parts A and B is easy. Everyone who turns 65 and applies for Social Security is automatically enrolled in Medicare Parts A and B. Enrollment in Part D is different. It is not automatic and there is a separate monthly premium that you pay directly to the plan. This means that when you become eligible for Medicare, you need to take the affirmative step to enroll in a Part D plan that is available in your community.

If you are currently enrolled in Medicare and you do not have drug coverage at least as good as the Medicare drug plan, you will be penalized for late enrollment in Part D. You will have to pay one percent more per month on your premium for every month you waited to enroll after the initial enrollment period. So, if you are a Medicare beneficiary and you waited six months past the initial enrollment period to enroll, your monthly premium will always be six percent more than what others pay. This obviously creates a powerful incentive to enroll on time.

This premium penalty does not apply if you have comparable coverage from another source (such as a retirement health plan) that is certified as providing prescription drug coverage at least as good as Medicare drug coverage.

The Claims Process

For Part D, the claims process may vary, depending on the type of prescription drug plan in which you enroll, whether you receive the prescription from a local network pharmacy or mail order, and whether your medication is included on the plan's formulary. However, you will probably have to pay the deductible or co-payment at the pharmacy, and the pharmacy will be paid by the plan.



Our new website is up and running with new faces, new information and new links.

Check it out at www.floydflaw.com



15 Highway 17 South
Post Office Drawer 14607

Phone: 843-238-5141
Fax: 843-238-9060

THE FLOYD LAW FIRM PC



Word About Our Firm

The Floyd Law Firm PC is a general practice law firm established in 1973. We have four attorneys who can handle almost every type of legal work which you, your family or your business may require. We take great pride in our team of lawyers, legal assistants, legal secretaries, and staff members. Each attorney, legal assistant and legal secretary is an expert in one or more fields. This expertise allows us to provide superior legal services in a number of fields of law such as Personal Injury Claims, Community Association, General Trial Work, Golf Industry, Estate Planning, Estate Administration, Elder Law, Real Estate Transactions, Family Law, Worker's Compensation, Wills and Trusts and Criminal Law. We hope you will meet our well-qualified team and allow them to work together for your benefit.

Website:

www.floydlaw.com

NEWS FROM THE FLOYD LAW FIRM

Lynn A. McFayden (Real Estate) will celebrate her 4th year with The Floyd Law Firm on March 18, 2006. Congratulations Lynn!

Dalton Floyd will give a seminar in February titled "How To Buy, Sell and Finance Your Course" at the 2006 Solutions Summit in Atlanta sponsored by The National Golf Course Owners of America.

REMINDER

We offer a free estate planning consultation to all our current clients. Please contact Fanny for an appointment at 238-5141 or email www.Fanny@floydlaw.com