

FCHD 3450
CONSUMER CREDIT PROBLEMS
Fall 2016

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Class Time and Place: Tuesday/Thursday, 3:00-4:15 in Old Main 115

Textbook:

Guide to Surviving Debt (2016). Boston: National Consumer Law Center.
<http://www.consumerlaw.org/> [This textbook is required to prepare students for the AFC exam]

Supplemental Resources:

Garman, T. & Forgue, R. (2011). *Personal Finance*. New York, NY: Houghton Mifflin Company.
Other material will be posted on Canvas.

Course Description: This course covers consumer issues including consumer credit problems, debt reduction strategies, credit collection policies and practices, bankruptcy and government assistance programs. This course prepares you for the Accredited Financial Counselor Exam.

Course Learning Objectives:

In this course, students will

1. Gaining factual knowledge (terminology, classifications, methods, trends) related to consumer credit problems
2. Learning fundamental principles, generalizations, and theories pertaining to consumer credit problems
3. Developing specific skills, competencies, and points of view needed by professional financial counselors

FCHD 3450 (this course) and FCHD 4460 (Financial Counseling) prepare students for the **Accredited Financial Counselor certification**, Exam 2: “Credit and Debt Management” (Administered by the Association for Financial Counseling and Planning Education). FCHD 3350 (Family Finance) and FCHD 4350 (Advanced Family Finance) prepare for AFC Exam 1: “Personal Finance.” For information on AFCPE, the conference, and AFC accreditation, go to <http://www.afcpe.org>. Family Finance students are also prepared to become Certified Personal

and Family Finance Educators (CPFEE). For more information about this certification, go to <http://www.aafcs.org/CredentialingCenter/bulletins.asp>

COURSE REQUIREMENTS

1. Exams (300 pts.):

Four in-class exams (75 points each) will take place on the dates listed in the course schedule. There will be **NO MAKE-UP EXAMS**. If you are ill on the date of an exam, make sure you contact the instructor before the exam so that other arrangements can be made (official written documentation is required).

2. Assignments (190 pts.):

Students are required to complete six assignments:

- 1) Assistant Program Paper (30 pts.)
- 2) Credit Report (25 pts.)
- 3) Application Assignment – PDL or RTO (30 pts.)
- 4) Solving Credit Problems (30 pts.)
- 5) Book Report (50 pts.)
- 6) Student Loan Paper (25 pts.)

See pages 5-7 for detailed information about assignments. **NO LATE ASSIGNMENTS WILL BE ACCEPTED**. Do not use a binder. Staple in upper left-hand corner and do not use paper clips.

3. Skills Tests (50 pts.):

Students will read each assigned chapter listed in the course schedule. Skills tests will be given at the beginning of class. There will be 12 skills tests worth 5 points each. The lowest two skills test scores will be dropped at the end of the semester.

4. Class Activities/discussions (50 pts.):

Students will discuss scheduled topics in groups or as a class. Students will prepare discussion questions from the day's readings before coming to class. For each class activity missed, students will lose 4-5 points from this point category.

Grade Breakdown:

4 Exams	300
6 Assignments	190
Best 10 skills tests	50
Class Activities/discussions	50
Total	590 Points

Grading:

Grading will be based on total 590 points. Check your grade regularly on CANVAS; promptly notify professor of any mistakes. Course grades will be based on USU grading scale as follows:

93-100%	A	90-92.9%	A-	87-89.9%	B+		
83-86.9%	B	80-82.9%	B-	77-79.9%	C+		
73-76.9%	C	70-72.9%	C-	60-69.9%	D	Below 60%	F

TENTATIVE COURSE SCHEDULE*

Date	Topic/Description	Assignment/ Reading
Aug. 30	Introduction to 3450 Course & Your Financial Life Course	Signup sheet for PDL or RTO paper
Sept. 1	Ch. 1 Choosing Which Debts to Pay First Ch. 2 Increasing Income and Reducing Expenses	
Sept. 6	Ch. 3 What You Need to Know About Your Credit Reports <i>ID Theft Issue</i>	Government Assistance Program Paper Due
Sept. 8	Ch. 4 The Pros and Cons of Credit Counseling and Other “Debt Relief” Companies <i>Sharing Credit Report Assignment</i>	
Sept. 13	Ch. 5 Credit Cards <i>The 2009 Credit CARD Act (the Credit Card Accountability, Responsibility and Disclosure Act)</i>	Credit Report Due free from annualcreditreport.com
Sept. 15	Ch. 6 Home Equity and Refinancing Loans <i>Reverse Mortgages</i>	
Sept. 20	Exam 1	
Sept. 22	Ch. 7 Raising Money to Repay Debts: Making Good Choices and Avoiding Trouble	Payday Loan Paper Due**
Sept. 27	Ch. 8 Responding to Debt Collectors	
Sept. 29	Ch. 9 Collection Lawsuits	
Oct. 4	Ch. 10 What You Need to Know about Your Mortgage – Even If You Are Not Delinquent <i>Subprime vs. predatory lending</i>	Solving Credit Problems Paper Due
Oct. 6	Ch. 11 Mortgage Workouts	
Oct. 11	Exam 2	
Oct. 13	Ch. 12 Defending Your Home from Foreclosure	
Oct. 18	Ch. 12 Defending Your Home from Foreclosure	NC 1030
Oct. 20	<i>NO CLASS (USU Fall Break) – Friday Class Schedule</i>	
Oct. 25	Ch. 13 Important Additional Protections Against Foreclosure	
Oct. 27	Ch. 14 Evictions and Other Disputes with Landlords	

Date	Topic/Description	Assignment/ Reading
Nov. 1	Ch. 15 Utility Terminations	Book Report Due
Nov. 3	<i>Sharing Book Report Assignment</i>	
Nov. 8	Ch. 16 Automobile Repossessions	
Nov. 10	Ch. 17 Seizure of Household Goods	Rent-to-Own Paper Due**
Nov. 15	Exam 3	
Nov. 17	Ch. 18 Student Loans	
Nov. 22	Ch. 18 Student Loans	Student Loan Paper Due
Nov. 24	<i>NO CLASS – Happy Thanksgiving</i>	
Nov. 29	Ch. 19 Federal Income Tax Debt	
Dec. 1	Ch. 20 Bankruptcy	
Dec. 6	Ch. 20 Bankruptcy	
Dec. 8	Ch. 21 Making a Financial Recovery: A Checklist	
Dec. 15	Exam 4	1:30-3:20 p.m.

Disclaimer:** The schedule or content can be changed as needed by the professor/guest speakers. * If you have chosen this paper.**

ASSIGNMENT SUMMARY

1. Government Assistance Programs Paper (30 pts): Due September 6th

The textbook briefly summarizes several government assistance programs. As a financial counselor, you may find it necessary to refer clients to one or more of these programs. Thus, you will need specific knowledge about these programs and how they work. Choose two (2) of the following government assistance programs to research (Be sure to include references).

Earned Income Tax Credit (EITC)
 Supplemental Nutrition Assistance Program (SNAP)
 Women, Infants and Children (WIC)
 Temporary Assistance for Needy Families (TANF)

Social Security (SS)
 Supplemental Security Income (SSI)
 Children Health Insurance Program (CHIP; note that CHIP is different for each state—make sure your information is relevant to Utah)

Write two double-spaced pages, one for each program. Summarize the program in your own words using the following questions to guide your answers.

1. What is the purpose of the program or organization?
2. Who qualifies to participate in this program?
3. How are participants admitted to the program?
4. How does the program work?
5. What is the name, address, and phone number of the local agency that administers the program?

2. Credit Report (25 pts): Due September 13th

Using the free resource made available through <http://www.annualcreditreport.com>, Access your credit report online and review your information in the context of our class discussions and your reading. Write a one-page double-spaced summary **detailing** a plan of action to maintain a good score, build your score, and fix errors in your report as needed?

3. Application Assignment—Instructions: You will complete **only one** of the two assignments listed below. Your assignment should be two pages typed and double-spaced. It should follow the form of an academic paper (specifically, in our department we adhere to the conventions of the [American Psychological Association—APA](#)). In addition, you must cite references for information gathered from any outside sources. If you quote a salesperson, I don't expect a reference for that quotation as I'm sure you will have discussed the store you're visiting and the salesperson's name in a previous paragraph. However, direct quotations should always be enclosed in quotation marks.

For your application assignment, choose one of the following:

Option 1. Payday Loan Paper (30 pts): Due September 22nd

Do comparison shopping for a \$100 payday loan. Visit three payday lenders in your area and three payday lenders on the internet (be sure to include references). Pretend that you really need the loan as you will not get the necessary information if you inform the lender that you are completing a class assignment.

Create a table (approximately 1/2 page) that includes the following information about the loans: fees, interest rates, loan payment schedules, and any other relevant information necessary to obtain such a loan. Summarize the findings of your comparison shopping experience in your table.

Write a report (1 ½ pages) in which you summarize the following:

- 1) What you learned from this experience
- 2) Any advice you would give others who are considering getting a payday loan
- 3) Alternatives that should be investigated
- 4) When you think using a payday loan might be a viable option
- 5) Accounting for APR (the interest rates of Payday Loans), what is the TRUE cost of borrowing (how much will the loan actually cost you)?

Option 2. Rent-to-Own Paper (30 pts): Due November 10th

Visit a Rent-To-Own store to obtain information on renting an item of your choice. Obtain information on rental cost, fees, delivery charges, and any other relevant information you feel you might need to make an informed decision. Pretend that you really want to rent the item as you will not get the necessary information if you inform them you are completing a class assignment. In addition, shop for the exact same item in a store and online.

Create a table (approximately 1/2 page) in which you list the item you researched, the RTO store, box store, and online source you searched, along with information regarding price, warranty, delivery/shipping fees, and any other information you feel is relevant.

Write one and a half pages in which you respond to the following questions:

- 1) Which purchasing option do you feel is the best for you?
- 2) Why is this purchasing option the best?
- 3) Why do you think RTO companies stay in business?
- 4) What advice would you give others who want to use RTO stores?
- 5) What alternatives would you suggest others investigate and why?
- 6) When might using a RTO business be a good idea?
- 7) What is the TRUE cost of using RTO (How much will you actually spend using RTO as compared to buying outright)?

4. Solving Credit Problem Paper (30 pts): Due October 4th

Anna has a monthly net income of \$1,642. Her monthly fixed expenses include rent at \$550, a \$232 school loan payment, a \$152 car payment, and \$112 for auto insurance. Anna's flexible monthly expenses include \$125 for utilities and the phone bill, \$120 for food, \$50 for personal and household items, \$50 for gas and oil for the car, and \$100 for entertainment.

Anna owes money on a couple of credit cards. She is making a \$42 minimum payment on a major department store credit card (she owes \$850) as well as a \$65 minimum payment on her VISA card on which she owes \$1,200. Anna's car breaks down on the way home from work. Her mechanic tells her that it will cost about \$1,200 to get the car running again. Since Anna needs her car to get to and from work, she uses most of the money from the monthly paycheck she received that day to get her car fixed.

Given this situation, write a two-page double-spaced paper. In your paper, answer the following questions:

- 1) What immediate problem is Anna facing? (1 paragraph) **(5 points)**.
- 2) Based on what you learned from class materials, explain the steps Anna should now take to solve her problem. Please be specific and include numbers in your explanation so I can easily follow your line of thinking. (3 paragraphs) **(15 points)**.
- 3) Suggest 2-3 specific actions Anna should take to avoid this problem in the future. (2 paragraphs) **(10 points)**.

5. Book Report (50 pts): Due November 1st

Read a book from the approved list (or you may approach the professor to discuss one of your choices that treat the subject matter of this course). Once you have decided, email the title of the book to the professor by Oct. 1. Then, write a brief summary and critique the book based on both our class discussions and your personal evaluation of the book. **Do not use a book read or discussed in detail in another class (e.g., The Automatic Millionaire).**

Grading Criteria:

- 1) Grammar, formatting, style, and length (**10 points**). A college quality paper should be submitted. The paper should be a three-page double-spaced paper.
- 2) Content of the paper (**30 points**). You can be creative with the structure of your paper, but you must include a **summary and critique** the book sections. You should structure your paper so that the reader can easily understand the major tenets from the book and the analytical points that you are making. Please use headings to separate the main sections.
- 3) Prepare 5 minute Presentation (**10 points**).

Approved Book List for the Book Report Assignment

- Solve Your Money Troubles: Debt, Credit, & Bankruptcy – Robin Leonard J. D. (2013)
- Money Troubles: Legal Strategies to Cope with – Deanne Loonin (2002)
- Negotiate and Settle Your Debts: A debt settlement strategy - Mandy Akridge (2011)
- Hidden Credit Repair Secrets: 3rd Edition – by Mark Clayborne
- Credit Repair – Robin Leonard, J.D. (2013)
- The New Bankruptcy: Will it Work for You? - Stephen Elias, Attorney
- Credit Warfare: Advanced Credit Repair and Debt - S. Louis Blisko (2012)
- How to Settle Debts Yourself - Sandee Ferman (2011)
- The Credit Repair Black Book: Credit Repair - Mark Kennedy
- Best Credit: How to Win the Credit Game, 2nd Edition - Dana Neal
- Shortchanged: Life and Debt in the Fringe Economy - Howard Karger

6. Student Loan Paper (25 pts): Due November 22nd

This class covers topics from debt to bankruptcy and from mortgages to foreclosures. Student loans have recently become a very hot issue. Find one documentary or article on student loans. Write a one-page, typed, double-spaced **reaction paper** on the highlights of what you learned. Include 1-2 sentences at the end of your paper that detail how you can apply the material to your life or as a financial counselor. Document the source of your documentary or article.

UTAH STATE UNIVERSITY POLICIES

Students with Special Needs: According to the Americans with Disabilities Act (ADA), students with documented physical, sensory, emotional or medical impairments may be eligible for reasonable accommodations. Veterans may also be eligible for services. All accommodations are coordinated through the Disability Resource Center (DRC) in Room 101 of the University Inn, (435)797-2444 voice, (435)797-0740 TTY, or toll free at 1-800-259-2966. Please contact the DRC as early in the semester as possible. Alternate format materials (Braille, large print or digital resources) are available with advance notice.

Grievance Process: Students who feel they have been unfairly treated may file a grievance through the channels and procedures described in the Student Code of Conduct Handbook: <http://catalog.usu.edu/content.php?catoid=6&navoid=1080&hl=%22grievance%22&returnto=search>

Emergency Preparedness: In the case of a drill or real emergency, classes will be notified by the sound of a fire/emergency alarm system or by a building representative, and will evacuate the building. In the event of a disaster that may interfere with either notification, evacuate as the situation dictates (i.e., in an earthquake when shaking ceases or immediately when a fire is discovered). Turn off computers and take any personal items with you. Elevators should not be used; instead, use the closest stairs.

Sexual Harassment: Sexual harassment is inappropriate and illegal. Concerns should be addressed to the instructor and/or the Affirmative Action/Equal Opportunity Office, Main 161, 797-1266.

Honor Pledge: As stated in The Student Code, “Each student has the right and duty to pursue his or her academic experience free of dishonesty. The Honor System is designed to re-enforce the higher level of conduct expected and required of all Utah State University students.” Upon admission to the university, you agreed to abide by this Honor Code by signing the Honor Pledge, which reads: “I pledge, on my honor, to conduct myself with the foremost level of academic integrity.”

Academic Dishonesty: The Instructor of this course will take appropriate actions in response to Academic Dishonesty, as defined the University’s Student Code: Acts of academic dishonesty include but are not limited to: **Cheating:** (1) using or attempting to use or providing others with any unauthorized assistance in taking quizzes, tests, examinations, or in any other academic exercise or activity, including working in a group when the instructor has designated that the quiz, test, examination, or any other academic exercise or activity be done “individually”; (2) depending on the aid of sources beyond those authorized by the instructor in writing papers, preparing reports, solving problems, or carrying out other assignments; (3) substituting for another student, or permitting another student to substitute for oneself, in taking an examination or preparing academic work; (4) acquiring tests or other academic material belonging to a faculty member, staff member, or another student without express permission; (5) continuing to write after time has been called on a quiz, test, examination, or any other academic exercise or activity; (6) submitting substantially the same work for credit in more than one class, except with prior approval of the instructor; or (7) engaging in any form of research fraud.

Falsification: altering or fabricating any information or citation in an academic exercise or activity. **Plagiarism:** representing, by paraphrase or direct quotation, the published or unpublished work of another person as one's own in any academic exercise or activity without full and clear acknowledgment. It also includes using materials prepared by another person or by an agency engaged in the sale of term papers or other academic materials. Full text of the Student Code available at available at available at:

<http://www.usu.edu/studentervices/studentcode/article6.cfm>

Course Completion: Students are required to complete all courses for which they are registered by the end of the semester. In some cases, a student may be unable to complete all of the coursework because of extenuating circumstances, but not due to poor performance or to retain financial aid. The term “extenuating” is specifically defined in the University’s General Catalog www.usu.edu/ats/generalcatalog. Documentation of the circumstances cited to justify the incomplete is required. Also, a formal plan for completing the incomplete should be in writing and signed by both faculty and student.