

42. Compare home equity loans offered by at least four reputable lending institutions. Consider the interest rate on the loan and the annual percentage rate (APR), which includes other costs, such as origination fees, discount points, mortgage insurance, and other fees. Ask if the rate changes, and if so, how it is calculated and how frequently, as this will affect the amount of your monthly payments.

Housing

Home Purchase

43. You can often negotiate a lower sale price by employing a buyer broker who works for you, not the seller. If the buyer broker or the broker's firm also lists properties, there may be a conflict of interest, so ask them to tell you if they are showing you a property that they have listed.
44. Do not purchase any house until it has been examined by a home inspector that you selected.


Renting a Place to Live

45. Do not limit your rental housing search to classified ads or referrals from friends and acquaintances. Select buildings where you would like to live and contact their building manager or owner to see if anything is available.
46. Remember that signing a lease probably obligates you to make all monthly payments for the term of the agreement.

Home Improvement

47. Home repairs often cost thousands of dollars and are the subject of frequent complaints. Select from among several well established, licensed contractors who have submitted written, fixed-price bids for the work.
48. Do not sign any contract that requires full payment before satisfactory completion of the work.

Major Appliances

49. Consult Consumer Reports, available in most public libraries, for information about specific appliance brands and models and how to evaluate them, including energy use.  There are often great price and quality differences. Look for the yellow Energy Guide label on products, and especially for products that have earned the government's ENERGY STAR, which can save up to 50% in energy use.

50. Once you've selected a specific brand and model, check the Internet or yellow pages to learn what stores carry the brand. Call at least four of these stores to compare prices and ask if that's the lowest price they can offer you. This comparison shopping can save you as much as \$100 or more.

Utilities

Heating and Cooling

51. A home energy audit can identify ways to save up to hundreds of dollars a year on home heating (and air conditioning). Ask your electric or gas utility if they audit homes for free or for a reasonable charge. If they do not, ask them to refer you to a qualified professional.
52. Enrolling in load management programs and off-hour rate programs offered by your electric utility may save you up to \$100 a year in electricity costs. Call your electric utility for information about these cost-saving programs.

Telephone Service

53. Once a year, review your phone bills for the previous three months to see what local, local toll, long distance, and international calls you normally make. Call several phone companies which provide service in your area (including wireless and cable), to find the cheapest calling plan that meets your needs. Consider a bundled package that offers local, local toll and long distance, and possibly other services, if you heavily use all the services in the bundle.

54. Check your phone bill to see if you have optional calling features or additional services, such as inside wire maintenance, that you don't need. Each option you drop could save you \$40 or more each year.

55. If you make very few toll or long distance calls, avoid calling plans with monthly fees or minimums. Or consider disconnecting the service altogether and use dial around services such as 10-10 numbers or prepaid phone cards for your calls. When shopping for dial around service, look for fees, call minimum, and per minute rates. Treat prepaid cards as cash and find out if there is an expiration date.

56. If you use a cell phone, make sure your calling plan matches the pattern of calls you typically make. Understand peak calling periods, area coverage, roaming, and termination charges. Contracts offered by most carriers will provide you with a trial period of 14 days or more. Use that time to make sure the service provides coverage in all the places you will be using the phone (home, work etc.). Prepaid wireless plans tend to have higher per minute rates and fees but may be a better option if you use the phone only occasionally.

57. Before making calls when away from home, compare per minute rates and surcharges for cell phones, prepaid phone cards, and calling card plans to find how to save the most money.

58. Dial your long distance calls directly. Using an operator to place the call can cost you up to \$10 extra. To save money on information calls, look the number up on the Internet, or in the directory.

Other

Food Purchased at Markets

59. You can save hundreds of dollars a year by shopping at lower-priced food stores. Convenience stores often charge the highest price.

60. You will spend less on food if you shop with a list, take advantage of sales, and purchase basic ingredients, rather than pre-packaged components or ready-made items.

61. You can save hundreds of dollars a year by comparing price-per-ounce or other unit prices on shelf labels. Stock up on those items with low per-unit costs.

Prescription Drugs

62. Since brand name drugs are usually much more expensive than their generic equivalents, ask your physician and pharmacist if a less expensive generic or an over the counter alternative is available.
63. Since pharmacies may charge widely different prices for the same medicine, call several. When taking a drug for a long time, also consider calling mail-order pharmacies, which often charge lower prices.

Funeral Arrangements

64. Plan ahead, making your wishes known about your funeral, memorial, or burial arrangements in writing to save your family or estate unnecessary expense.
65. For information about the least costly options, which may save you several thousand dollars, contact a local Funeral Consumer Alliance or memorial society, which are usually listed in the Yellow Pages under funeral services.
66. Before selecting a funeral home, call several and ask for prices of specific goods and services, or visit them to obtain an itemized price list. You are entitled to this information by law.

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AARP

American Council on Consumer Interests

American Council of Life Insurers

American Express

American Financial Services Association Education Foundation

AT&T

Center for the Study of Services - *Checkbook Magazine*

Consumer Action

Consumer Federation of America

Credit Union National Association

Fannie Mae

Federal Citizen Information Center

Federal Reserve Board

Federal Trade Commission

MasterCard International

MCI Communications Corporation

National Association of Consumer Agency Administrators

National Foundation for Credit Counseling

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Transportation

Airline Fares

1. Compare low-cost carriers with major carriers that fly to your destination. Remember, the best fares may not be out of the airport closest to you.
2. You may save by including a Saturday evening stay-over or by purchasing the ticket at least 14 days in advance. Ask which days of the week and times of the day have the lowest fare.
3. Even if you are using a travel agent, check airline and Internet travel sites, and look for special deals. If you call, always ask for the lowest fare to your destination.

Car Rental

4. Since car rental rates can vary greatly, compare total price (including taxes and surcharge) and take advantage of any special offers and membership discounts.
5. Rental car companies offer various insurance and waiver options. Check with your automobile insurance agent and credit card company in advance to avoid duplicating any coverage you may already have.

New Cars

6. You can save thousands of dollars over the lifetime of a car by selecting a model that combines a low purchase price with low depreciation, financing, insurance, gasoline, maintenance, and repair costs. Ask your local librarian for new car guides that contain this information.

7. Having selected a model and options you are interested in, you can save hundreds of dollars by comparison shopping. Get price quotes from several dealers (over the phone or Internet) and let each know you are contacting the others.
8. Remember there is no “cooling off” period on new car sales. Once you have signed a contract, you are obligated to buy the car.

Used Cars

9. Before buying any used car:
 - Compare the seller’s asking price with the average retail price in a “bluebook” or other guide to car prices which can be found at many libraries, banks, and credit unions.
 - Have a mechanic you trust check the car, especially if the car is sold “as is.”
10. Consider purchasing a used car from an individual you know and trust. They are more likely than other sellers to charge a lower price and point out any problems with the car.

Auto Leasing

11. Don’t decide to lease a car just because the payments are lower than on a traditional auto loan. The leasing payments are lower because you don’t actually own the car.
12. Leasing a car is very complicated. When shopping, consider the price of the car (known as the capitalized cost), your trade-in allowance, any down payment, monthly payments, various fees (excess mileage, excess “wear and tear,” end-of-lease), and the cost of buying the car at the end of the lease. A valuable source of information about auto leasing can be found in Keys to Vehicle Leasing: A Consumer Guide, which is published by the Federal Reserve Board and Federal Trade Commission.

Gasoline

13. You can save hundreds of dollars a year by comparing prices at different stations, pumping gas yourself, and using the lowest-octane called for in your owner’s manual.
14. You can save up to \$100 a year on gas by keeping your engine tuned and your tires inflated to their proper pressure.

Car Repairs

15. Consumers lose billions of dollars each year on unneeded or poorly done car repairs. The most important step that you can take to save money on these repairs is to find a skilled, honest mechanic. Before you need repairs, look for a mechanic who:
 - is certified and well established;
 - has done good work for someone you know; and
 - communicates well about repair options and costs.

Insurance

Auto Insurance

16. You can save several hundred dollars a year by purchasing auto insurance from a licensed, low-price insurer. Call your state insurance department for a publication showing typical prices charged by different companies. Then call at least four of the lowest-priced, licensed insurers to learn what they would charge you for the same coverage.
17. Talk to your agent or insurer about raising your deductibles on collision and comprehensive coverage to at least \$500 or, if you have an old car, dropping this coverage altogether. This can save you hundreds of dollars on insurance premiums.
18. Make certain that your new policy is in effect before dropping your old one.

Homeowner/Renter Insurance

19. You can save several hundred dollars a year on homeowner insurance and up to \$50 a year on renter insurance by purchasing insurance from a low-price, licensed insurer. Ask your state insurance department for a publication showing typical prices charged by different licensed companies. Then call at least four of the lowest priced insurers to learn what they would charge you. If such a publication is not available, it is even more important to call at least four insurers for price quotes.

20. Make certain you purchase enough coverage to replace the house and its contents. “Replacement” on the house means rebuilding to its current condition.
21. Make certain your new policy is in effect before dropping your old one.

Life Insurance

22. If you want insurance protection only, and not a savings and investment product, buy a term life insurance policy.
23. If you want to buy a whole life, universal life, or other cash value policy, plan to hold it for at least 15 years. Canceling these policies after only a few years can more than double your life insurance costs.
24. Check the National Association of Insurance Commissioners website (www.naic.org/cis) or your local library for information on the financial soundness of insurance companies.

Banking/Credit

Checking Accounts and Debit Cards

25. You can save more than \$100 a year in fees by selecting a free checking account or one with no minimum balance requirement. Request a complete list of fees that are charged on these accounts, including ATM and debit card fees.
26. See if you can get free or lower cost checking through direct deposit or agreeing to ATM only use. Be aware of charges for using an ATM not associated with your financial institution.

Savings Products

27. Before opening a savings account, find out whether the account is insured by the federal government (FDIC for banks or NCUA for credit unions). Financial institutions offer a number of products, such as mutual funds and annuities, which are not insured.

28. Once you select a type of savings account, use the telephone, newspaper, and Internet to compare rates and fees offered by different financial institutions, including those outside your city. These rates can vary a lot and, over time, can significantly affect interest earnings.
29. To earn the highest return on savings (annual percentage yield) with little or no risk, consider certificates of deposit (CDs) or U.S. Savings Bonds (Series I or EE).

Credit Cards

30. To avoid late payment fees and possible interest rate increases on your credit cards, make sure you send in your payment a week to ten days before the statement due date. Late payments on one card can increase fees and interest rates on other cards.
31. You can avoid interest charges, which may be considerable, by paying off your entire bill each month. If you are unable to pay off a large balance, pay as much as you can. Try to shift the remaining balance to a credit card with a lower annual percentage rate (APR). You can find listings of credit card plans, rates, and terms on the Internet, in personal finance magazines, and in newspapers.
32. Be aware that credit cards with rebates, cash back, travel awards, or other perks may carry higher rates or fees.

Auto Loans

33. To save as much as several thousand dollars in finance charges, pay for the car in cash or make a large down payment. Always get the shortest term loan possible as this will lower your interest rate.
34. Make certain to get a rate quote (or pre-approved loan) from your bank or credit union before seeking dealer financing. You can save as much as \$1000 in finance charges by shopping for the cheapest loan.
35. Make certain to consider the dollar difference between low-rate financing and a lower sale price. Remember that getting zero or low-rate financing from a dealer may prevent you from getting the rebate.

First Mortgage Loans

36. Although your monthly payment may be higher, you can save tens of thousands of dollars in interest charges by shopping for the shortest-term mortgage you can afford. For each \$100,000 you borrow at a 7% annual percentage rate (APR), for example, you will pay over \$75,000 less in interest on a 15-year fixed rate mortgage than you would on a 30-year fixed rate mortgage.
37. You can save thousands of dollars in interest charges by shopping for the lowest-rate mortgage with the fewest points. On a 15-year \$100,000 fixed-rate mortgage, just lowering the APR from 7% to 6.5% can save you more than \$5,000 in interest charges over the life of the loan, and paying two points instead of three would save you an additional \$1,000.
38. Check the Internet or your local newspaper for mortgage rate surveys, then call several lenders for information about their rates (APRs), points, and fees. If you choose a mortgage broker, make certain to compare their offers with those of direct lenders.
39. Be aware that the interest rate on most adjustable rate mortgages (ARMs) can vary a great deal over the lifetime of the loan. An increase of several percentage points might raise payments by hundreds of dollars a month, so ask the lender what the highest possible monthly payment might be.

Mortgage Refinancing

40. Consider refinancing your mortgage if you can get a rate that is lower than your existing mortgage rate and plan to keep the new mortgage for at least several years. Calculate precisely how much your new mortgage (including points, fees and closing costs) will cost and whether, in the long run, it will cost less than your current mortgage.

Home Equity Loans

41. Be cautious in taking out home equity loans. The loans reduce or may even eliminate the equity that you have built up in your home. (Equity is the cash you would have if you sold your house and paid off your mortgage loans.) If you are unable to make payments on home equity loans, you could lose your home.