

FALL 2012

VOLUME EIGHT | EDITION THREE

CONSUMER CONNECTION



MILITARY MATTERS!

STATE HELPS VETS
GET BACK TO WORK

also inside:

**Furniture flammability
rules set to change**

LOOKING FOR A
CONTRACTOR ONLINE?
CHECK THE LICENSE

Reverse mortgage puts
your home at risk

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MESSAGE FROM THE DIRECTOR

Veterans come first. It's easy to agree with that sentiment, but deeds speak louder than words. Thanks to a commitment from Governor Edmund G. Brown Jr. and DCA entities, veterans now have a greater—and more tangible—demonstration of this motto.

Back in September, the Governor signed a comprehensive package of laws that take specific steps to improve services and opportunities for veterans making the transition from military to civilian life in California. One of the most significant laws to us here at DCA is Assembly Bill 1904, which will fast-track the professional and vocational licensure process for spouses and domestic partners of certain active duty military personnel. All entities of DCA will be affected by the new law, which covers professions and vocations ranging from doctors, nurses and other healthcare fields, to barbering and cosmetology, and more. An article on this and the other veteran-specific laws is in this issue of *Consumer Connection*.

Also on the theme of assisting veterans is an exemplary program by DCA's Bureau of Security and Investigative Services to help veterans use their military experience and training to become licensed as security guards, private security officers, private patrol operators, alarm company employees, and more. The program offers priority services to veterans and helps them leverage their military experience to qualify for licensing and a transition into the job market. The Veterans Come First program has been in place for about a year and has already helped 400 veterans. Read about how personal attention by Bureau staff is making the difference. We couldn't be happier with the results.

Also in this issue of *Consumer Connection* are other stories that merit your attention. Here are some of them: new standards for flammability of upholstered furniture; changes in Cal Grants for college students; warnings on the unlicensed use of medical lasers; and the risks of hiring a contractor online.

We hope you enjoy this issue of *Consumer Connection*. If you'd like to be added to the mailing list to receive future issues, e-mail your name and mailing address to us at **ConsumerConnection@dca.ca.gov**. And, if you have questions about consumer issues, please call us at (800) 952-5210. We're here to help.

Denise A. Brown

HELP TOWARD A SECURE FUTURE

DCA program helps veterans transfer military experience into jobs



HELP TOWARD A SECURE FUTURE

In 2011, the unemployment rate for veterans aged 18 to 24 was more than 30 percent, according to a report by the U.S. Congress Joint Economic Committee Chairman's Staff. In California, the post-9/11 unemployment rate for veterans is 20 percent.

These are unacceptably high numbers, so the Bureau of Security and Investigative Services (BSIS) – part of the California Department of Consumer Affairs – is doing something about it.

To help veterans in their transition from military service to civilian employment, BSIS has implemented the "Veterans Come First Program." In operation for about a year now, the program offers priority services to veteran applicants and assists them by leveraging their transferable military experience and training in order to meet all or part of the Bureau's licensing qualifications. It helps fast-track veterans through the licensing program and into jobs.

"For military veterans, the quickest way to get back to normal after returning home is to get a job and get back into a routine," says BSIS Chief Jeff Mason, a former U.S. Navy hospital corpsman who initiated the idea for the program. "At DCA, the biggest thing we do is license people, which gets them into the workforce and contributing to the economy. That, of course, helps businesses as well."

Because the qualification process for BSIS licenses is experienced-based, the program allows former soldiers to leverage what they've done overseas into employment here. BSIS staff members are specially trained on what to look for within that experience.

For example, requirements to become licensed as a security guard or security guard company include one year of experience in guard duties. Those who served a year in Iraq or Afghanistan already have it. They can apply the time they served to open a security guard business, for example.

The program provides veteran applicants with their own personal BSIS staff person to support them through the licensing process; direct-line telephone numbers and e-mail contact information; priority in the licensure process; and e-mail or telephone notification as soon as a veteran's application is approved by the Bureau for licensure.

BSIS licenses covered by this program include:

- Security guards and proprietary private security officers.
- Private patrol operators and private patrol operator qualified managers.
- Private investigators.
- Alarm company qualified managers and employees.
- Repossessor qualified managers and employees.
- Locksmith operators and employees.
- Training facilities and firearm/baton instructors.

BSIS staff members who are also military veterans make the rounds, speaking to employer and military groups to get the word out about the program and its benefits. "I tell them, 'These are the people you want to hire,'" says Mason. "They have the personal and professional qualities you're looking for."

"I'm rarely emotional, but I am right now."

- *Tweeted by a new licensee who benefited from the BSIS Veterans Come First Program*

In addition, program participants can receive reimbursement from the U.S. Department of Veterans Affairs (VA) for many of the licensing and certification tests the State of California administers, including the following:

- Private patrol operator, qualified manager
- Alarm company operator, qualified manager
- Private investigator, qualified manager
- Repossession agency, qualified manager

Currently, the VA will only pay for the costs of the tests and not other fees connected with obtaining a license or certification. For more information on reimbursement, visit www.gibill.va.gov/resources/education_resources/programs/licensing_and_certification.html.

The program has assisted more than 400 people so far, and the Bureau is also working on connecting the California Military Department with guard companies to match licensed veterans with job openings.

If you or someone you know would like more information about the "Veterans Come First Program," visit www.bsis.ca.gov/customer_service/faqs/veterans.shtml or e-mail BSISveterans.dca@dca.ca.gov.



USING MILITARY EXPERIENCE TO QUALIFY

Here is a summary of how you can use your transferable military experience and training to qualify for licensure:

- **Security guard and private security officer:**

After completion of the mandatory eight hours of training (four hours of “Power to Arrest” and four hours of “Weapons of Mass Destruction”), and completion of the LiveScan process, you will be eligible for licensure as a security guard or private security officer.

- **Private patrol operator and private patrol operator qualified manager:** Veterans who have at least one year of experience (2,000 hours)

working as a guard, watchperson, sentry, military police or equivalent, are eligible to take the licensing private patrol operator and/or private patrol operator qualified manager test(s).

- **Alarm company employee:** Military veterans are qualified to be licensed as an alarm company employee after successful completion of the LiveScan criminal background check process.
- **Locksmith operator and locksmith employee:** Military veterans are qualified to be licensed as a locksmith operator or employee after successful completion of the LiveScan criminal background check process.

USING MILITARY EXPERIENCE TO QUALIFY continued

- **Private investigator:** Veterans can use their military police officer experience conducting investigations towards the hours required to become a licensed private investigator.
- **Baton instructor:** Licensure requires an associate's degree in criminal justice, or the equivalent, and a baton instructor certificate issued by a Federal, State, or local agency, or one year of verifiable baton teaching experience, or its equivalent. Experience in baton training in a military setting can be used to help satisfy this requirement.
- **Firearm instructor:** Licensure requires an associate's degree in the administration of justice, or one year of teaching and training experience and possession of a police or security firearms instructor training certificate issued by the National Rifle Association, or a firearms instructor training certificate issued by a Federal, State or local agency. Experience in firearms training in a military setting can be used to help satisfy this requirement.
- **Repossession agency employee:** Military veterans are qualified to be licensed as a repossession agency employee after successful completion of the Live Scan criminal background check process.

The Bureau will review the veteran's "Certificate of Release or Discharge from Active Duty" (DD214) and the education and training transcript provided by

the particular military branch. To request a transcript, see below:

- **Air Force:** Request a Community College of the Air Force transcript.
- **Army:** Request an AARTS transcript.
- **Coast Guard:** Request a Coast Guard Institute transcript.
- **Marine Corps:** Request a SMART transcript.
- **Navy:** Request a SMART transcript.

If a transcript is unavailable, just provide BSIS with the DD214. The Bureau may need to request additional confirmation of training and experience.

The Bureau will review your LiveScan results and your civilian and military experience and education. If it is determined that you do not have any convictions that are substantially related to the duties of the license you are seeking and your stated experience and education covers 100 percent of the experience requirements, you will be approved to take the appropriate licensing test, if required.

If your experience and training only meets a portion of the requirements for licensure, the Bureau will contact you directly and provide you with a path on how to fulfill the missing pieces. If it is determined that your LiveScan results do not meet the necessary standard you will be notified by the Bureau on how to engage your rights to an appeal.

THE LICENSURE PROCESS: SECURITY GUARD

Complete the eight-hour "Power to Arrest" training and pass the examination before applying.

Complete and submit the online security guard application under the "Online Services" tab on the Bureau's Web site at www.bsis.ca.gov/online_services/online_licensing.shtml. The online application is submitted electronically.

Using the BSIS Security Guard LiveScan form (www.bsis.ca.gov/forms_pubs/livescan/g.pdf), submit copies of your fingerprints electronically using Live Scan.

After submitting your application, you must send a confirmation e-mail to BSIS with your name, address, Social Security number, and date you applied to BSISveterans.dca@dca.ca.gov.

Once BSIS receives your online application, a criminal history background check is conducted.

If your application is approved, a BSIS representative will notify you by e-mail, with a link to download proof of licensure so you can immediately begin to apply for jobs.

Additional details on how to apply for a guard card are available at www.bsis.ca.gov/forms_pubs/guard_fact.shtml.

For all other BSIS issued licenses: E-mail BSISveterans.dca@dca.ca.gov and include a list of the licenses you are interested in applying for. A BSIS representative will reply with information on the specific process for that license.



NEW LAWS

HELP VETERANS

WITH LICENSES AND SERVICES

The Bureau of Security and Investigative Services isn't the only DCA entity reaching out to assist military veterans. Thanks to new legislation signed by Governor Edmund G. Brown Jr., military veterans and their families will be seeing improved services and opportunities across California.

The most significant piece of legislation for DCA is Assembly Bill 1904 (Business and Professions Code Section 115.5) by Assemblymember Marty Block (D-San Diego). It requires boards and bureaus under DCA to expedite the licensure process for military spouses and domestic partners of military members on active duty in California. That means spouses and domestic partners who held certain professional licenses in another state may be able to be fast-tracked to become licensed in California. The new law covers all DCA professional and occupational licenses, including barbering and cosmetology, healthcare, accountancy, veterinary medicine, contracting, and more. The changes take effect January 1, 2013. →

NEW LAWS HELP VETERANS WITH LICENSES AND SERVICES

The Governor also signed the following bills relating to services for military veterans:

- **AB 2462** by Assemblymember Marty Block (D-San Diego) – Requires the Chancellor of the California Community Colleges to determine which courses should be awarded credit for prior military academic experience using standards of the American Council on Education.
- **AB 2133** by Assemblymember Robert Blumenfield (D-Van Nuys) – Increases, from four to 15, the number of years after leaving active duty that a veteran, who is a resident of California, is eligible for priority registration for enrolling in classes at the CCC, the CSU and the UC.
- **AB 2478** by Assemblymember Mary Hayashi (D-Hayward) – Expands the current exemption given to veterans from paying nonresident tuition at California Community Colleges by one year.
- **SB 1405** by Senator Kevin De León (D-Los Angeles) – Authorizes accountants to have their licenses placed on a military inactive status while engaged in active duty in the National Guard or armed forces.
- **AB 2659** by Assemblymember Robert Blumenfield (D-Van Nuys) – Allows licensed drivers of military commercial vehicles to qualify for a California commercial driver's license without additional California driving tests.
- **SB 1413** by Senator Gloria Negrete McLeod (D-Chino) – Allows the Adjutant General to establish support programs, acquire facilities and solicit and accept donations for the benefit of military personnel and their families.
- **AB 2371** by Assemblymember Betsy Butler (D-Marina Del Rey) – Provides restorative relief to a veteran defendant who acquires a criminal record due to a mental disorder stemming from military service.
- **AB 1224** by the Committee on Veterans Affairs – Authorizes the Department of Veterans Affairs to adopt implementing regulations necessary to allow financing of cooperative dwelling units.
- **AB 1505** by Assemblymember Richard Pan (D-Sacramento) – Reinstates State veterans benefits that were denied solely on the basis of sexual orientation when the federal government first reinstates those benefits.
- **SB 1287** by Senator Tom Harman (R-Huntington Beach) – Requires the Department of Fish and Game to issue a reduced fee sport fishing license to active military personnel who are recovering service members.
- **SB 1288** by Senator Tom Harman (R-Huntington Beach) – Requires the Department of Fish and Game to issue a reduced hunting fee license to military personnel who are recovering service members.
- **AB 2490** by Assemblymember Betsy Butler (D-Marina Del Rey) – Requires the California Department of Corrections and Rehabilitation to develop policies to assist veteran inmates in pursuing veterans benefits.
- **AB 342** by Assemblymember Toni Atkins (D-San Diego) – Designates the Governor's Office of Planning and Research (OPR) to serve as the State liaison with the U.S. Department of Defense.
- **AB 1550** by Assemblymember Susan Bonilla (D-Concord) – Increases the fees required to issue, renew, and personalize specialized veterans' license plates to fund veterans' organizations.
- **AB 2202** by Assemblymember Marty Block (D-San Diego) – Extends the January 1, 2013, sunset to 2016 for the Superintendent of Public Instruction to reconvene a task force to review and make recommendations regarding the Interstate Compact on Educational Opportunity for Military Children.
- **AB 2198** by Assemblymember Jim Nielsen (R-Gerber) – Recalibrates reporting requirements in the annual county veterans service officers' report to ensure these programs are maximizing support to veterans.
- **SB 1198** by Senator Ronald Calderon (D-Montebello) – Requires CalVet to provide veterans with information about federal veteran pensions, federal housing vouchers, and CalFresh.



VETERANS SHOULD CAREFULLY RESEARCH FOR-PROFIT SCHOOLS

Over the next year or two, 40,000 men and women are expected to separate from the military and return to California. Many veterans, eager to begin using their post-9/11 GI Bill education benefits, find themselves receiving many offers from for-profit schools due to those government benefits.

While for-profit institutions are often more accessible and may offer a more flexible course of study, it's important for veterans to understand that not all course credits transfer from one institution to another, and not all college degrees are created equal. Prospective students need to carefully research for-profit institutions and remember: If it seems too good to be true, it probably is.

The California Department of Veterans Affairs (CalVet) oversees the California State Approving Agency for Veterans Education (CSAAVE), the State agency designated to approve and monitor for-profit institutions for the administration of the GI Bill. To assist veterans in their decision-making process, CSAAVE has developed the following Student Bill of Rights and Considerations Prior to Enrollment. CSAAVE requires schools to provide this document to students when they are considering enrollment.

STUDENT BILL OF RIGHTS AND CONSIDERATIONS PRIOR TO ENROLLMENT

This document must be issued to veterans and eligible persons when using GI Bill benefits at a private postsecondary institution approved for the training of veterans by the California State Approving Agency. The following rights and information must be provided to veteran students:

- You have the right to investigate training alternatives. Be aware that tuition charged by institutions offering similar training programs can vary greatly. You may also seek payment of GI Bill benefits for other types of training or career objectives, including apprenticeship/OJT and Entrepreneurships.
- You have the right to fully explore a program prior to enrolling. You may check out the school's facilities and equipment, inquire about instructors' qualifications and class sizes, observe a class, and talk to current students. You may also ask to contact recent graduates to learn about their experiences with the school.
- You have the right to check with the Better Business Bureau, or other consumer protection agency, to find out if complaints have been filed against the school. You also have the right to verify the school's standing with any accrediting association and/or licensing agency.
- You have the right to clear information about the value of the training. Are the credits transferable to other institutions you may attend in the future? Will the training satisfy requirements for employment, or is it necessary for the position you are seeking?
- You are entitled to clear data about the program's success rate. The institution will provide you with the completion and placement rates for the most recent years for which data is available. You will be given the definition of a "placement," including the length of time in the position. You will also be provided with the average starting salary.
- You are entitled to a clear statement of the total cost for completion of the program, including tuition, equipment, and fees.
- You are entitled to a clear explanation, without coercion, of all financial aid options before you sign up for any student loans.
- You are responsible for paying off a loan whether or not you complete the program. Failure to pay off a loan can lead to financial problems, including inability to get a future loan or grant for another training program, inability to get credit to buy a car or home, or garnishment of wages through the employer. You must begin repayment of the loan in accordance with the terms detailed within the financial aid documents.
- You have the right to read and understand the contract, and all other materials, before signing up.
- You are entitled to a clear explanation of the school's cancellation/withdrawal policy and procedures, to understand how to withdraw or cancel, and be informed of any financial obligations you will incur.
- You are entitled to a clear explanation of the school's refund policy, which can vary greatly. If you withdraw from a course after the first day of class, an overpayment of VA benefits can result. It is not uncommon for schools to charge the entire tuition cost at the point when you have completed just 60 percent of the program. If an overpayment is assessed, the VA will send you a debt letter for the cost of the training you did not receive. For example, you may drop at the 60 percent point, and be asked by the VA to repay 40 percent of the cost of the tuition. A debt related to payment of the housing allowance may also be assessed. Ensure that you review the school's refund policy to understand the consequences of withdrawing before the end of the term.
- You have the right to contact the California State Approving Agency at www.csaave.ca.gov or the state consumer protection agency if you are unable to resolve a complaint with the school.

For more information about your post-9/11 GI Bill education benefits, contact your County Veteran Service Office (CVSO). To find the CVSO nearest you, visit www.cacvso.org. Click on "Contact Us," and then click on your county of residence.

You may also call the USDVA at 888-GI BILL1 or 888.442.4551. To find approved education and training programs, visit http://gibill.va.gov/resources/education_resources/choosing_a_school.html.

This article was provided by the California Department of Veterans Affairs.

COSMETIC LASER TREATMENTS NEED SKILLED, LICENSED PROFESSIONALS



A San Jose man who owned a chain of laser treatment centers throughout California was convicted this summer of 19 felony counts of practicing medicine without a license. The man passed himself off as a doctor, diagnosing toenail fungus, and treating the condition with lasers, according to the complaint. The case was investigated by DCA's Medical Board of California.

In addition to treating nail fungus, lasers are used in a variety of cosmetic procedures, including removal of hair, spider veins, tattoos, age spots, acne scars, and more. No matter the use, consumers need to remember that lasers can only be used by a licensed medical doctor (including a podiatrist) or a physician assistant or registered nurse who is supervised by a doctor, according to the Medical Board. Licensed vocational nurses, medical assistants, cosmetologists, electrologists, and estheticians are not allowed to use lasers for medical treatment even with

supervision. A doctor who allows someone to perform treatments illegally could be guilty of unprofessional conduct by aiding and abetting the unlicensed practice of medicine and could be subject to disciplinary action.

When seeking laser treatments at a doctor's office or other setting, such as a med-spa, consumers should ask who will perform the procedure. Ask about the person's qualifications and training, and supervision, if needed. Consumers can easily verify the practitioner's license status online. Here's how:

- Licenses of doctors can be checked online at the Medical Board of California (www.mbc.ca.gov).
- Verify a nurse's credentials at the Board of Registered Nursing (www.rn.ca.gov).
- Check on physician assistants with the Physician Assistant Committee (www.pac.ca.gov).

If you believe someone may be using lasers inappropriately or otherwise practicing medicine without a license, you can file a complaint with the Medical Board. Go online to www.mbc.ca.gov, or call 800.633.2322 for assistance.



Prompted by Governor Edmund G. Brown Jr., State regulators are poised to make significant changes in a 37-year-old law that dictated strict flammability standards for upholstered furniture sold in California. The action is being taken to reduce the reliance on flame retardant chemicals, which increasingly have been found to be harmful to people and the environment.



FLAME RETARDANT CHEMICALS MAY NO LONGER BE NEEDED

The current standards are set in Technical Bulletin 117, developed by the Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation (BEARHFTI), an entity of the Department of Consumer Affairs. Under TB 117, polyurethane foam and other filling materials used in upholstered furniture must be able to withstand exposure to a small open flame (such as a flame from candles, matches, or lighters) for 12 seconds. TB 117 applies to upholstered furniture sold in California no matter where it was made.

These standards do not specify how manufacturers must meet the standards, nor do they require the use of flame-retardant chemicals, or specify manufacturing methods or materials that should be used. However, manufacturers found that the most economical and convenient way to meet the standards is to treat filling materials with flame retardant chemicals.

Under the proposed revisions, which will be known as TB 117-2013, furniture must resist smoldering from a lit cigarette. A flame-resistant fabric cover or other protective barrier may be sufficient to meet the new rules, meaning that flame-retardant chemicals will probably not be needed. An open flame will not be used for the new testing.

“Toxic flame retardants are found in everything from high chairs to couches, and a growing body of evidence suggests that these chemicals harm human health and the environment,” Governor Brown said in a statement directing the revised regulations. “We must find better ways to meet fire safety standards by reducing and eliminating—wherever possible—dangerous chemicals.”

The process of changing the regulations began in July with two informal workshops on the proposed revisions, one in Sacramento and

one in Riverside. The workshops included comments from consumer advocates, fire experts, furniture manufacturers, and representatives of environmental groups, the flame retardant chemical industry, and others. Based on feedback from the workshops, changes to the proposed standard have been made. The revised proposed standard will be released in mid December.

At the workshop, BEARHFTI Bureau Chief Tonya Blood characterized the timeline for implementation as “very aggressive,” but said her office will talk to retailers and manufacturers about how to handle furniture manufactured under the previous regulations.

The change in regulations will also require new labels for upholstered furniture sold in California. The labels will let consumers know that the product meets the flammability requirements under State law, or that the product is exempt from the requirements. The new technical bulletin adds more “juvenile” products (high chairs, car seat pads, playpen mats, and others) to the list of items exempt from the requirements.

The proposed regulations are currently undergoing administrative review. When that is completed, a 45-day public comment period will be held. If modifications to the proposed regulations are made, there will be a second public comment period, then additional administrative and legal review. The projected effective date for the new standard is July or August 2013.

For more details about the proposed revisions and the regulatory process, contact:

**Bureau of Electronic and Appliance Repair,
Home Furnishings and Thermal Insulation**

4244 South Market Court, Suite D
Sacramento, CA 95834

Phone: (916) 999-2041

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E-mail: contactbhfti@dca.ca.gov

FOUND A CONTRACTOR ONLINE? CHECK THE LICENSE!

Online bulletin boards provide a vast resource for goods and services, but when it comes to finding a contractor to fix something in your home or on your property, you'd be wise to do your homework and check the person's qualifications on the Contractors State License Board (CSLB) Web sites, www.cslb.ca.gov or www.CheckTheLicenseFirst.com.

CSLB's enforcement department finds many of its contractor sting targets in online bulletin boards such as Craigslist. To alert consumers to this problem, contractor boards in Oregon, Nevada, and Arizona, and the National Association of State Contractors Licensing Agencies joined CSLB this summer in a multistate sting operation that specifically targeted illegal advertisements on Craigslist. CSLB's Statewide Investigative Fraud Team (SWIFT) caught about 100 individuals operating illegally at eight different statewide locations during the two-day operation.

"Craigslist serves as a valuable tool to legitimately licensed and insured contractors, offering them a free advertising vehicle to connect with consumers," said CSLB Registrar Steve Sands. "Unfortunately, hundreds, if not thousands, of unlicensed or unscrupulous contractors are breaking the law every day by posting deceptive or illegal ads, and Craigslist has done little to address the issue."

As a consumer, you must stay alert and not automatically believe you're hiring a licensed professional. Many times, people who advertise online are not licensed and do not carry workers' compensation insurance or liability insurance. Because of this, unlicensed individuals may offer a lower bid to edge out a legitimate contractor. The illegal activity creates unfair business competition, as well as added financial risk for the property owner if someone is hurt on the job site.

The consumer risk of online contractor ads was heightened when Assemblymembers Bill Monning and Bill Berryhill joined CSLB at a post-sting operation news conference at the State Capitol. They alerted their legislative colleagues and all Californians to the need for online vigilance and pointed out the dangers of hiring a contractor online without first checking his or her qualifications with CSLB.

During the media event, reporters learned that one convicted murderer and two sex offenders were caught during the sting operation. According to SWIFT investigators, it is common during sting operations to find that those who are arrested have some type of criminal past.

"It only takes a minute to check the CSLB Web site and your contractor's license detail page to make sure the person you're considering for a job is someone you feel comfortable having in your home," said Sands. "With 300,000 active contractor licenses available through our Web site or our toll-free number (800.321.2752), you're most likely to find the right person by first checking with CSLB."

CSLB urges consumers to follow these tips when hiring a contractor:

- o In California, all construction jobs that are \$500 or more in combined labor and material costs require a State-licensed contractor.
 - o Hire only licensed contractors and ask to see the contractor's license and a photo ID to verify the person's identity. Make sure that all subcontractors also have the appropriate licenses and that the contractor has a good payment history with those businesses supplying project materials.
 - o Always check the license numbers on CSLB's Instant License Check to make sure the licenses are in good standing, and that employees are covered by workers' compensation insurance.
 - o Don't pay more than 10 percent or \$1,000, whichever is less, as a down payment. There is an exception for about two dozen licensees who carry special bonds to protect consumers. These exceptions are noted on CSLB's Web site.
 - o Don't pay in cash, and don't let payments get ahead of the work.
-



CSLB home page icon for license check:
www.CheckTheLicenseFirst.com

SAMPLE CSLB CONTRACTOR DETAIL PAGE:
 CONTRACTOR'S LICENSE DETAIL - LICENSE # 000000

License Number	000000	Extract Date	7/20/2012
Business Information	CONTRACTOR and SONS dba OUR CONSTRUCTION COMPANY Business Phone Number: (916) 555-1111 P O BOX 00000 SACRAMENTO, CA 95814		
Entity	Corporation		
Issue Date	12/31/2011		
Reissue Date	04/03/2010		
Expire Date	04/30/2013		
License Status	ACTIVE This license is current and active. All information below should be reviewed.		
Classifications	CLASS	DESCRIPTION	
	A	GENERAL ENGINEERING CONTRACTOR	
	B	GENERAL BUILDING CONTRACTOR	
	C16	FIRE PROTECTION CONTRACTOR	
	C27	LANDSCAPING	
Certifications	CERT	DESCRIPTION	
	HAZ	HAZARDOUS SUBSTANCES REMOVAL	
	ASB	ASBESTOS - Check DOSH Registration	
Bonding	CONTRACTOR'S BOND		
	This license filed a Contractor's Bond with NONAME INSURANCE COMPANY OF AMERICA .		
	Bond Number: 0000000		
	Bond Amount: \$12,500		
Effective Date: 01/01/2009			
Contractor's Bond History			
BOND OF QUALIFYING INDIVIDUAL			
1. This license filed Bond of Qualifying Individual number 0000000 for JOHN DOE in the amount of \$12,500 with NONAME INSURANCE COMPANY OF AMERICA .			
Effective Date: 01/01/2009			
BQI's Bond History			
2. This license filed Bond of Qualifying Individual number 0000000 for JANE DOE in the amount of \$12,500 with NONAME INSURANCE COMPANY OF AMERICA .			
Effective Date: 02/05/2009			
BQI's Bond History			
Workers' Compensation	WORKERS' COMPENSATION		
	This license has workers compensation insurance with DEPARTMENT OF INDUSTRIAL RELATIONS		
	Policy Number: 00000		
Effective Date: 04/03/2011			

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- o CSLB complaint disclosure is restricted by law (Business and Professions Code Section 7124.6) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- o Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- o Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- o Due to workload, there may be relevant information that has not yet been entered onto the Board's license database. Personnel listed on this license (current or disassociated) are listed on other licenses.





Reverse mortgage: A lifeline with high risk

The reverse mortgage program was created more than 20 years ago as a way to help elders (age 62 and up) who were “equity rich but cash poor” remain in their homes by borrowing against their home’s equity. The homeowner basically “borrows” the equity in the home and receives it as tax-free monthly checks. No repayment is due until the owner moves out or dies and the house is sold. For many years, the typical borrower was between 75 and 76 years old.

New studies, however, are showing that recent economic turmoil has led to a growing use of reverse mortgages not to remain in their homes, but to handle existing household debt. More and more homeowners under 70 are looking at reverse mortgages with the intention of taking all the available home funds out at once instead of in monthly payments. And that, according to some experts, could spell trouble.

A 2011 MetLife report on the topic (*Changing Attitudes, Changing Motives: The MetLife Study of How Aging Homeowners Use Reverse Mortgages*; August 2011) highlights the financial risks homeowners can face with reverse mortgages. Sixty-seven percent of people who seek reverse mortgages are looking for a way to reduce debt, the study shows. A reverse mortgage, which requires no income and no credit check, can be a tempting option. The risk is that the reverse mortgage could strip all the equity out of the house and leave the homeowner without their primary nest egg, in some cases even before retirement.

A June 2012 report to Congress from the Consumer Financial Protection Bureau (CFPB) noted a similar trend. In Fiscal Year 2011, 73 percent of borrowers took all or almost all of their available funds upfront at closing, the CFPB report said, adding, “Borrowers who take all of their money upfront are also at greater risk of becoming delinquent on (property) taxes and/or insurance and ultimately losing their homes to foreclosure.” The CFPB report says 9.4 percent of reverse mortgage borrowers are at risk of losing their homes. That figure is expected to increase.

Interest in reverse mortgages was at its peak during the housing boom, but dropped as housing prices and home values fell. According to the U.S. Department of Housing and Urban Development (HUD) there were 114,639 reverse mortgages taken out in 2009. By 2011, the total was 73,093. As of November 2011, there are about 582,000 reverse mortgages outstanding, compared to about 50 million traditional mortgages, according to Federal government statistics.

Even with home values dropping, the number of homeowners interested in reverse mortgages is expected to climb as more baby boomers turn 62, the age at which they are eligible for such loans. The problem is that reverse mortgages are a complex product. Borrowers may not understand their options or the full cost of the loan, including origination fees, closing costs, monthly service fees, and interest rates. In some cases, borrowers mistakenly believe the reverse mortgage is some kind of government benefit instead of a loan from a private lender that must be repaid by selling the house.

The only reverse mortgage insured by the Federal government is the Home Equity Conversion Mortgage (HECM), which contains several consumer guarantees and protections. Most reverse mortgages today are part of this government program. If you are interested in an federally insured reverse mortgage, you will be required to speak to a HUD-approved reverse mortgage counselor before signing any papers. A counselor can help you decide if a reverse mortgage is right for you. To find out more or to find a counselor in your area, call 800.569.4287 or go online to http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm/hecmhome.

READ MORE ABOUT IT:

- National Reverse Mortgage Lenders Association, www.reversemortgage.org; includes articles and tools to help you understand reverse mortgages.
- AARP, www.aarp.org/revmort, has information, calculators, questions to ask before you decide, and more.
- National Council on Aging, www.ncoa.org/enhance-economic-security/home-equity/800-510-0301, has a guide to reverse mortgages, "Use Your Home to Stay at Home" (also available in Spanish).
- California Department of Real Estate www.dre.ca.gov, has a brochure titled Reverse Mortgages – Is One Right for You? Find it online.

STATE CONSUMER PROTECTIONS

California law contains specific protections for consumers who take out reverse mortgages. California's Reverse Mortgage Elder Protection Act of 2009 is intended to ensure that consumers will make informed decisions about reverse mortgages and that people who offer, sell, or arrange the sale of reverse mortgages "will act in the best interest of a sometimes vulnerable population."

ELIGIBILITY

To be eligible for a reverse mortgage, you must:

- Be 62 years of age or older.
- Own your property outright or have paid down a considerable amount of the mortgage.
- Live in the property as your principal residence.
- Not be delinquent on any Federal debt.
- Participate in a consumer information session given by a HUD-approved HECM counselor.

Source: HUD



New rules

limit state scholarships

STUDENT LOAN DEFAULT RATE OF **15.5%** OR LESS

30% OR HIGHER GRADUATION RATE

Colleges must meet Cal Grant standards for loan defaults, graduations

California's 2012-13 State budget included changes in the State's Cal Grant Program, which provides scholarships for California college students. The changes revised eligibility, cut the amount of awards, and added stricter standards. Under the new rules, colleges participating in the Cal Grant Program must have a student loan default rate of 15.5 percent or less and a graduation rate of 30 percent or higher.

Cal Grants, which are not loans and do not have to be paid back, are designed to help eligible, low-income California residents pay tuition and fees when attending an eligible California college. The grants can cover attendance at any University of California, California State University, California Community College, or qualifying independent and career colleges or technical schools in the State, according to the California Student Aid Commission Web site (www.csac.ca.gov).

In late July, the California Student Aid Commission released the list of schools eligible to participate in the Cal Grant program. Of the schools that participated last year, 154 did not meet the new standards and were dropped from the program; 289 schools are still eligible. Most of the schools that did not meet the new standards were private, for-profit schools.

"Students should be aware that all California Community Colleges, CSUs and UCs, as well as most private, nonprofit schools such as Stanford and USC, remain eligible to participate in the Cal Grant Program," Student Aid Commission Executive Director Diana Fuentes-Michel said in a news release. "In addition, several for-profit schools are also still eligible. We encourage students to work closely with financial aid counselors to determine their options."

Under the 2012-13 State budget, the Cal Grant Program is offering 350,000 awards to students at eligible California institutions, according to the CSAC Web site. Students who attend private, for-profit colleges that are no longer eligible for the Cal Grant Program may still be eligible for Federal student aid.

Students and parents can get more information from the California Student Aid Commission online at www.calgrants.org or by calling 888.CA-GRANT or 888.224.7268. Workshops are usually held statewide in January and February to help students prepare and file Cal Grants applications before the March 2 deadline.



OWE BACK TAXES? YOU COULD LOSE YOUR DCA LICENSE

Effective July 1, 2012, the Department of Consumer Affairs (DCA) and its entities will suspend the professional license, certification, or registration of anyone whose name appears on a list of California's top 500 tax delinquents.

DCA will also refuse to renew a license or issue a new license to anyone who appears on the list. All DCA boards and bureaus are subject to this new law. That includes all the healthcare boards, such as those covering medical, dental, and veterinary professions, plus all other DCA groups such as contractors, accountants, cosmetologists, and more. For a full list of DCA entities, visit www.dca.ca.gov online and click on "board and bureaus."

The list, which is compiled by the Franchise Tax Board (FTB) and the Board of Equalization (BOE), includes businesses and individuals who owe more than \$100,000 in back State taxes.

Once it has been determined that an applicant or a licensee is on a certified list of tax delinquents, he or she has 90 days to either pay the amount owed or enter into

a payment program with the FTB or BOE. Anyone who does not pay the taxes owed or enter into a payment plan will have his or her license denied or suspended until the DCA licensing entity receives a release from FTB or BOE. If a license is suspended for unpaid taxes, license fees will not be refunded.

The FTB list includes people who owe more than \$100,000 in personal or corporate income taxes. The online list contains the taxpayer's name and city of residence, amount owed, license, license status, and license number. For corporate income tax, the information also includes the names of the principal officers. View the list at https://www.ftb.ca.gov/aboutFTB/Delinquent_Taxpayers.shtml

The BOE list includes people and companies that owe more than \$100,000 in sales and use taxes. The list includes the company name, address, first lien date, and balance owed. View the list at <http://www.boe.ca.gov/cgi-bin/deliq.cgi>. If you find your name on either list, call the FTB at 888.426.8555 or the BOE at 916.445.5167.



New laws set rules for used car dealers

Buy-here-pay-here used car dealers are dealers that offer in-house financing to car buyers rather than using outside lenders such as banks or credit unions. Customers of these dealers are often people with low income who have no credit or poor credit. Typically, these dealers sell older, high-mileage vehicles. Critics say these sales are often characterized by abusive practices such as high interest rates, overpriced cars, onerous payments, and quick repossessions.

Governor Edmund G. Brown Jr. recently signed two pieces of legislation that aim to protect the public by banning some of the most unfair or deceptive practices of these dealers.

Here are the two bills:

ASSEMBLY BILL 1447

by Mike Feuer (D-Los Angeles):

- Requires buy-here-pay-here dealers to provide a written warranty for each vehicle it sells that covers most major components and lasts for at least 30 days or 1,000 miles, whichever happens first.

- Prohibits buy-here-pay-here dealers from requiring a buyer to make payments in person to the dealer.
- Requires buy-here-pay-here dealers to receive written consent from the buyer before selling a vehicle equipped with electronic tracking technology.
- Requires buy-here-pay-here dealers to provide notice to the buyer that the vehicle has “starter interrupt” technology which the seller can use to disable the vehicle remotely.

ASSEMBLY BILL 1534

by Bob Wieckowski (D-Fremont):

- Requires cars offered for sale by buy-here-pay-here dealers to have a window sticker that lists the reasonable market value of the vehicle. The reasonable market value must be based on a nationally recognized pricing guide such as Kelly Blue Book, Edmunds, the Black Book, or the National Automobile Dealers’ Association (NADA) Guide.

The new laws take effect January 1, 2013.



SCAM ALERTS

A ROUND-UP OF CURRENT CONS, FRAUDS, AND SCHEMES



APPLE PICKING— IT'S NOT JUST FOR ORCHARDS

Thieves are stealing iPhones and other smartphones right out of unsuspecting user's hands. Where? On street corners, sidewalks, fast food restaurants, coffee shops—any place people use their phones. The Federal Communications Commission reports that 34 to 40 percent of robberies in major cities involve smartphone theft. And it's not only the phone you lose—it's the huge amount of personal information on your phone that's gold for ID thieves. What can you do? Pay attention! Police are finding that victims weren't paying attention to their surroundings; they were focused on their phones. Also, don't let anyone borrow your phone—for any reason. Another scam is to “borrow” the phone, then run.

THE \$100 VIRUS SCAM

How it works: The phone caller says, “Hi, this is John from tech support. We have detected a virus in your computer and we can remove it—for \$100” payable by credit card. Of course, you have no virus... and how would someone know that over the phone anyway? **What to do:** Keep your antivirus software and malware detectors on your system up-to-date. And hang up on John from tech support.

THE 'OOPS! I PAID YOU TOO MUCH' SCAM

You sell an item online and you're happy when the out-of-state buyer sends a check right away. Then, you notice the check is written for more than the price of the item, so you contact the buyer. “No problem,” he or she says, “Just cash it and send me the difference via Western Union or MoneyGram.” You do just that, then the check he or she sent you bounces. **Cost to you:** The unpaid cost of the item, the “extra” cash you sent back, and the bounced check fees from your bank. What to do: When selling items online, only deal with people you can meet in person. Exchange your goods for their cash—no checks. Even money orders and cashier's checks can be forged.



FREE MEDICARE SCOOTER SCAM

How it works: Someone makes a presentation at a gathering or comes to your door and tells you that a Federal health program will pay for a motorized scooter or power wheelchair for you because you are a Medicare beneficiary. All you have to do is tell them your medical history—and give up your Medicare account number. What happens: You never get your chair or scooter, but Medicare gets billed \$11,000 for it. Cons want you AND your Medicare number to steal from the government. **What to do:** Never give your Medicare number to anyone who says they are from the government; check your Medicare Summary for any suspicious charges, and make sure you check your credit report as well. Never sign a blank authorization form.

UNLICENSED PAYDAY LENDERS

What are payday loans? High-interest short-term loans designed to give you an advance on your paycheck. In order to cash in on you, many payday lenders are opening electronic storefronts online—and not registering with the California Department of Corporations. Payday lenders licensed with the Department of Corporations must comply with State laws, including truth-in-lending statutes.

Unlicensed lenders may not even be in California—they may be out of state or in another country. You may not be able to contact them if you run into trouble, and you have no recourse if you are ripped off. Plus, you may be sending your private financial information to an unsecured site for ID thieves to see.

Before doing business with an online payday lender, make sure the lender is licensed with the Department of Corporations. You can verify the license online at www.corp.ca.gov or by calling toll-free 866.ASK.CORP or 866.275.2677.



THE FAKE \$100 GIFT CARD

How it works: You get a call from someone posing as a local store representative telling you that you've won a \$100 gift card, but you need to come in and pick it up.

What happens: You leave to go get your prize, and your house is burglarized. **What to do:** The Better Business Bureau says you should ask: "What contest did I win?" "How was I chosen?" Call the store yourself to confirm the details. If you smell a scam, call the police and report it. And make sure your house is secure—someone has been watching.

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AMERICAN INHOUSE DESIGN AWARD
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2009 Winner
 2008 Winner



NATIONAL ASSOCIATION OF CONSUMER AGENCY ADMINISTRATORS

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NATIONAL ASSOCIATION OF GOVERNMENT COMMUNICATORS

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