

0 (7s):

Welcome to the Clark. Howard show our mission to serve and empower you so that you make better financial decisions in your life. In today's episode, I'm going to start out with something we're getting call after call about it team Clark Consumer action. Center. After that, I'm going to talk about the extension of Foreclosure moratoriums and what you need to know. If you need help. First things first are Consumer actions. So if you're not familiar for the last 28 years, we've offered the ability for you to have one-on-one advice for free. From a member of our team, we call it the Consumer action.

0 (49s):

Center. If you go to Clark dot com slash CAC, you can see the hours that free advice is available and the number to call. And we have been getting the calls from people who are exasperated here's what's happening like a bolt out of the blue. You get a obscure federal tax form called a 10 99 G G is in government. And it's from your state saying you received unemployment insurance, which is just fine.

0 (1m 30s):

If you did get on unemployment insurance, having been unemployed at sometime in 2020. And so you report that as a essentially income on your federal tax return and you pay taxes on the unemployment benefits you received find so far, except there was such chaos was state labor departments that unfortunately, a lot of people received unemployment pretending to be you.

0 (2m 10s):

They would file using identity theft tactics, pretending to be someone who may have stayed employed all through the coronavirus employment problems. And they received that money direct deposited into one of their accounts, pretending to be you again. And then you get the tax bill. The IRS has said, not our problem. You go work it out with the state. So crazy as it is. You now have to contact. If you get one of these, because otherwise you'll be paying tax on Phantom income money.

0 (2m 54s):

You never got somebody got pretending to be. You. You have to contact those way over taxed overworked stayed on unemployment offices. Probably I have to fill out some state forms saying I didn't get on employment. Wasn't me. Probably. I have to sign an affidavit, which means if you're a Y you can go to prison. And then they issue hopefully in a timely manner, a corrected 10 99 G they sent it to the IRS and a copy to you is showing \$0 received of unemployment benefits.

0 (3m 39s):

The IRS does not want you to say to them, Hey, I didn't get this. They are going to tax you on it until, and unless you get it corrected with your state, you're going to have to be persistent. You might need the help of your state legislator who can try to do. What's known as a constituent service to get this fixed for you with your state labor department. It's time for your questions you posted for me at Clark dot com slash ask. And Krista, what are you starting with?

1 (4m 18s):

You see, I think we're going to start today with Marlene, who says that, unfortunately, she's been out of work since October due to COVID virtually 80% of the emails I received for jobs is spam. There is a phishing epidemic happening, and there are preying on people like myself who are desperately looking for work and will do almost anything. I'm receiving suspicious emails with the hope and promise of a job with links that could lead to God only knows. My question is how can I protect myself? And is there any regulation that prevents these sorts of vicious attempts to attack, attack, vulnerable people?

0 (4m 53s):

I am really, really sorry. In any time the economy goes on in the toilet, the scam stirs come out of everywhere. And it is great that you realize that these are fake job opportunities, where people are just on fishing expeditions to get your personal information or your personal details. And so I don't have any way for you to stop it, but what I can tell you you've done that. So great. Marlene is you've warned other people about these fake job scams that are so rife right now is for your situation.

0 (5m 36s):

I hope that you are having been unemployed these these many months, that you do soon find a good opportunity for yourself moving forward.

1 (5m 49s):

And Georgia says, now that GE will not make any more appliances. Would you recommend buying a GE high-end range? I worry about the need for parts the future.

0 (5m 59s):

A first of all, I want to tell you how savvy you are. And you're the second person to ask me this question about GE. So what happens? They call this being an orphan product. When a company stops making a product line and you, by one of them in many times, you will find some of your best buying opportunities. When you buy an orphan product. There are people who've done that with cars. When a company decides to discontinue a model or a line of vehicles where they get a really, really good deal as for spare parts for the cycle, you probably own a major appliance.

0 (6m 45s):

You should be okay on being able to find those parts. It would be unlikely that those parts would not be available moving forward.

1 (6m 57s):

Okay. And Paul and Washington says I will be traveling across the country at the end of may. Should I go ahead and grab plane tickets now with the vaccines, getting to people will ticket prices rise quickly.

0 (7m 9s):

It's my expectation. That is people feel that we're moving towards all clear from people getting the vaccine. That there's a lot of pent up demand for travel. Lot of people who love travel, who haven't been doing it, or haven't been able to do it, and there's going to be a burst of activity, booking travel. So I expect we're going to see prices rise quite a bit. I encourage you. If you can find really good deals and you have to know by historical averages, if there are good deals, [google.com/flights](https://www.google.com/flights), it can give you a sense of that with their database.

0 (7m 54s):

Then I would go ahead and buy now, especially if the conditions for rolling that money towards future travel or a very favorable, I would definitely buy a ticket. When you see a deal, be careful with resorts, be careful with a booking through tour operators, because we don't know how solvent any of these people are in the event that you wanted to delay your travel. If they go bust, you're going to lose all your money.

1 (8m 27s):

Leo in Ohio says my husband's started buying stocks through a popular app. He has had some serious gains and I'm worried if the money is saved \$50,000, should he close out his accounts and open a new one? Somewhere else?

0 (8m 41s):

The money is saved. Money in a brokerage account is insured by a private organization called S I P C securities investors protection corporation. It is not the same is like FDI C insurance, or that is backed by the federal government. But it is something that in the event that a brokerage failed, the money would be protected. The S I P C does not protect you if the brokerage engages in fraud. But if it's an issue of insolvency, then the money is protected and safe.

1 (9m 19s):

Okay? And then Connie in Illinois says in a period of less than three years, my mortgage has been transferred to three different mortgage servicers. And I'm concerned about payments not being recorded or lost during the transfer of my account. What can I do to ensure that my payments are noted so that when my mortgage is paid in full, I won't have any surprises.

0 (9m 37s):

Thank you. Thank you for thinking about this and posting this Question mortgage servicers mess up all the time when servicing rights or transferred from one servicer to another. And then you're the one left having to prove when you figure it out years later, they never credited you for a payment. And then to add salt to the wounds often there'll be massive penalties. They've imposed on you saying you didn't make a particular monthly payment. What you do is print out your own amortization schedule on your mortgage for easy to do

easy, quick. All you need is the original date.

0 (10m 18s):

Your loan was taken out the interest rate and the length of loan. And if you just a whatever search engine you use, Google or whatever, put in a mortgage amortization calculator, you'll be able to print one out for, for a, and you track your mortgage with it. And as you make payments with most mortgage servicers, you can see real time. If payments have been applied, when your mortgage servicing rights or transfer, or a mortgage servicing is transferred, or you have the right under federal law to a paid to the old servicer to payments before you really recognize what's happened. And they can't penalize you for that.

0 (11m 0s):

But you wanna keep the good records, track your balance, especially when your servicing rights or Sol. And then if there's any problem, you attack it right. Then not later when a big oops is discovered, maybe months or years down the road coming up on today's podcast. There's news for you. If you've been struggling to pay your mortgage,

2 (11m 29s):

This episode is brought to you by progressive saving money on your car. Insurance is easy with progressive. It's an average savings of over \$750 for customers who switch. And Save in fact, customers can qualify for an average of six discounts on their auto policy with progressive including discounts, just for starting a quote, online or multiple vehicles on their policy. Get your quote online@progressive.com and see how much you could be saving national annual average auto insurance savings by new customers surveyed in 2019 potential savings will vary discounts, vary and are not available in all States and situations.

3 (12m 14s):

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0 (13m 17s):

Last spring. We got question after question after question from people who had lost their jobs or were worried they were going to lose their jobs or income reduced. And they were facing the possibility of eviction from their apartments. Foreclosure on their mortgages. And there were announcements of a foray. A program is available and people were really confused. And then everything kind of settled down and people

who were renters became eligible if they had a demonstrable income loss because of the Corona virus to not face eviction for an extended period of time, that has been extended again through March.

0 (14m 6s):

And so people will have gone in some cases a year without making a rent payment. Now there's something that I think there's been some confusion about renters. When the rent payment holiday ends will be subject to the landlords conditions of how you make up up to 12 months of rent, which let's face it. If somebody couldn't pay their rent because they lost their job, they're not going to be able to come up in one fell swoop with 12 months of rent.

0 (14m 49s):

But your rights is it looks today, really are going to run out when the eviction moratorium eventually ends and it will end. And then it will be a negotiation between you and your landlord. What happens at that point? The landlord can work out a payment plan with you or say, well, I'm sorry, I'm gonna have to proceed with an eviction and you will not have a good defense in court. 'cause the only thing the landlord has to prove in court is they haven't been paid.

0 (15m 30s):

And the only thing that a judge will care about his, can you pay the money you owe? So for renters, all that really happened was it delayed? What could be a terrible outcome at the end, unless you're able to negotiate with your landlord. And I recommend that you don't wait until the end of that process to negotiate. Now, homeowners are in a different situation with mortgages under the mortgage forbearance that went into effect last spring.

0 (16m 12s):

If someone was unable to make their mortgage payments, then for three months, they didn't have to do that. Can be extended to six, that it could be extended to 12 months. And at the time that the 12 months is up, that's when multiple options are on the table. Now, remember you're not being reported as delinquent. If you haven't been able to pay, if you have regained employment, you may in fact have the option of doing a refinance of that mortgage, that it will allow you to take the money that has accrued as additional balance with the lender and put it into a new refi.

0 (16m 58s):

The lenders also have the ability to modify your mortgage. And if you've had a year of not making payments, put that at the back end of the remainder of your existing mortgage and the, they also have the ability to work out with you, a payment plan. If they're willing to do that, where you over a period of time would make up the payments that you have missed. The important thing is that you need to have a plan. You need to be active, not reactive, both as a Renner and especially as a mortgage borrower.

0 (17m 45s):

Okay. What do you do have another option over the last year? Home prices generally have risen by a fair amount around the country. If all else is not really available as an option, you do have the option of selling your home and knowing that then you don't have to worry about a Foreclosure. So this time compared to the last time when we had the housing bust, the options for homeowners who have not been able to pay are so much better than what we had during the housing bust 2007 to 12 it's time for your questions and Krista, which you got

1 (18m 31s):

Lala in Hawaii says, hi, Clark my friend urge me to listen to your podcast for years. And I finally did a couple of years back. I absolutely love it. She also tried to get me to contribute to my retirement, which I wish I had done way sooner as well. And I'm in my thirties, I've had a pretty sporadic work record because of schooling and taking care of family matters. I got a part-time job in 2019, but lost it toward the end of 2020, because of COVID. I did manage to save up \$3,000 in opened a Vanguard account with the money. And it's currently in a money market, federal money market fund. I hope to put it into a target retirement fund, but I found out I need \$5,000 to do so. I'm not sure when I can go back to work. Should I wait until I do and contribute another 2000 or should I invest instead in something else?

1 (19m 16s):

And the meaning.

0 (19m 18s):

So I, I'm not familiar with the \$5,000 minimum on doing the target retirement fund that I thought that that was 3000 as well. We're going to check on that. The next thing is, as far as what you do, having that money in the federal money market fund is a good decision for now until your employment is solid again. And at that point, I would like you to look at taking that money and putting it in a Roth IRA and add to it as you can, and build up money in that target retirement fund in that Roth IRA.

0 (20m 2s):

And that would be a really solid path for you moving forward. I know that Hawaii has been affected the most of any state and the country by unemployment because of Corona virus. The good news moving forward is we got enough shots in arms. There's a lot of pent up desire by a of Americans and people elsewhere in the world, especially to Japan to come back to Hawaii. And I can tell you, I'm one of those people who is dying to get back to Hawaii and the Hawaii tourism market will absolutely boom.

0 (20m 42s):

And the jobs will return as soon as we get enough vaccines and arms. So Vanguard's

1 (20m 48s):

A website's has a thousand dollars as the minimum with that.

0 (20m 51s):

And yet I didn't think it was 5,000 at one time may have been that high, but Vanguard used to have a sum of its funds used to require minimums of like 20 grand and 10 grand, but they've steadily reduced those minimums over the years,

1 (21m 8s):

Barbara in Florida wants to know this. Why do some gas stations like Costco have four order more stickers on their gas pumps to prevent tampering from skimmers and other stations have none.

0 (21m 20s):

I don't know why Costco is so vigilant about it, but it is Costco and they are so great at everything except lately apparently how their chickens are treated. There is some ugly stuff about that, but the tampering at the gas pumps is fortunately, a temporary problem is stations are going to have to transition to much better security than they have right now, Costco, most of their pumps have already been updated to the new security standard, and addition to them having the devices on there to try to prevent scheming.

1 (22m 5s):

Just another reason for you to love Costco

0 (22m 7s):

And Costco has a top tier gas, which has supposed to be the best quality gasoline you can get.

1 (22m 15s):

And it was in Florida, says I'm retired now due to disability from my career as a police officer, I don't have much in savings in a mortgage that where we are going to be able to handle I'm coming in to a small windfall of money, about \$25,000. Talking with my wife, we're going to pay off some debts, maybe \$7,000. My question is, what do I do with the money leftover to my wife's credit? She admitted that if we left it in the joint checking account, she'd be going to Starbucks every day. So we're going to move it for the time being into an account that is not linked to our debit cards. I want to eventually put it toward the roof. In the next 18 months, we have a 20 year old house with the original roof. That's starting to fail. We have water stains on the ceilings of the garage. The wife says, don't even think of the roof now.

1 (22m 57s):

And to wait until it becomes a real problem who is more correct?

0 (23m 5s):

Your wife is always right, except this time. If you're seeing signs of water damage, that is a clear signal that

you need to get a roofing inspector out to your home to do an inspection. Now, have you, it's terrible me to say, but most times if you contact a roofer, there are going to say, Oh yeah, it needs replacing like yesterday, but that's why you can hire an independent roofing inspector to do an inspection of your roof. You want to search around online for a roofing inspector to give your opinion on the condition of that roof and let you know if it's okay to go for a few more years, maybe just a repair, that one place you have that water damage showing.

0 (23m 54s):

Or if it is something you should go ahead and do now, and

1 (23m 59s):

Starbucks has Valentine's day gift cards, just FYI. How does that fit? Because he said his wife had been at, she'd go to Starbucks every day, if they kept the money in their checking account. So maybe as a compromise, since she might not be totally correct. In this case, she gets a Valentine's day Starbucks card. Why not

0 (24m 19s):

Gift cards to a place where coffee is less expensive than Starbucks.

1 (24m 24s):

Okay. So clearly she loves Starbucks though. I'm just saying they're you are with your Starbucks. I've got one of my hand. It's sad. I know

0 (24m 32s):

You. And you only spend, is it \$9,000

1 (24m 35s):

A year? It started by now. I do. I make my own wealth thousand dollars to make a coffee at home too. But

0 (24m 41s):

Krista, how many times have I talked to you that you're in the drive-through line at Starbucks?

1 (24m 47s):

I don't know if it would be as many as you've been waiting for your curbside pickup it all day.

0 (24m 55s):

Do you got a really affordable place? Oh, speaking of a curbside pickup, all D is rolling out curbside pickup at 500 more locations and either a in just a couple months or by the end of this year, all D we'll be the third largest supermarket chain by locations in the United States. So all D is for cheapskates and Starbucks.

1 (25m 23s):

People I shop at both is a terrible shop at whole paycheck. No, I shop at both. I do. I'm an Aldi customer, as well as the Starbucks customer. Why is it that I thought you go to a whole paycheck. I go there to, for some things that are needed in there,

0 (25m 40s):

We are gonna have to take you to money rehab. Chris,

1 (25m 42s):

I'm going to work in progress.

0 (25m 45s):

I hope you've enjoyed today's podcast and sorry about that back and forth, Kristen and I are always on each other about money thing. And we are here to serve you speaking of your money, seven days a week at Clark dot com and Clark deals.com. And if you want us in your head all the time, getting you to save that money, subscribe to our newsletters, they are free. Our writers and researchers work their tails off to get you the best information that you can put to work in your wallet each and every day.