



MIDYEAR AUTO INTROS

SMART MOVES TO MINIMIZE  
**STUDENT-LOAN DEBT**



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# Consumers Digest



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### 'A LA CARTE' BANK FEES CAN ADD UP

As banks nickel-and-dime consumers on fees, customers are seeking more control over banking costs. Enter "a la carte" banking, which allows you to "design" your own checking account. Unfortunately, this approach isn't without its perils, and you still have to read the fine print.

"The average checking account carries 49 different fees," says Alex Matjanec of MyBankTracker.com. The a la carte approach seeks to cut fees by letting you choose your services and thus the fees that you incur. Although the base fees for a la carte checking accounts are less expensive, add-on fees still can pile up. "It really is a marketing tactic," he says.

A few regional banks provide a la carte banking, but so far, Matjanec says, major banks aren't following suit. Union Bank, which has locations in six states, rolled out its Banking by Design a la carte account in October 2012. The account costs \$3 per month and lets customers add features, such as safe-deposit boxes and non-Union Bank ATM transactions, for between \$1 and \$6.50 per service per month. At Texas-based Frost Bank branches, a la carte checking carries a base fee of \$5 per account per month. Other features cost another \$2 each per month. (These fees are lower for customers who maintain at least \$10,000 in combined deposits or who have had a Frost Bank account for at least 5 years.)

Matjanec believes that typical customers won't save any more through a la carte checking than through traditional checking, but he says an a la carte account gives you the ability to control your account.

Tina Orem has been a freelance business writer and editor for 10 years. Her work has appeared in *Advisor Today*, *StreetAuthority.com*, *InvestingAnswers.com*, *PCWorld* and other publications. Before writing, she was a corporate-finance executive.

*Stock prices reflect the prices that were available at press time and are subject to change.*

## NEW MORTGAGE RULES LOOMING

If you are thinking of buying a home and have a lot of debt or are self-employed, you should consider buying in 2013 before rules go into effect. Starting January 2014, "qualified mortgage" and "ability to repay" rules by Consumer Financial Protection Bureau (CFPB) will require you to jump through extra hoops, because lenders will

have to prove that you can repay a mortgage.

Borrowers whose combined debt payments—including car payments, other loan payments, minimum credit-card payments and mortgages—exceed 43 percent of their pretax income will have difficulty qualifying, says Mark Goldman of mortgage brokerage company C2 Financial.

Loans that fall outside of those guidelines, such as interest-only mortgages, balloon payments and high-fee mortgages, will become scarce in 2014.

Goldman says the new rules might pose headaches for self-employed borrowers, because their income isn't reported on a W-2 tax form and can be difficult to verify.

### WARNER'S PLAYBOOK: SMARTER WAYS TO GIVE

Former National Football League quarterback Kurt Warner has made charitable giving a big part of his retirement, but you don't need a star athlete's income to follow his game plan.

Warner, who is the host of USA Network's reality show "The Moment," says making conservative investments has allowed him to build a nest egg and still give generously. He adds that a cautious approach to evaluating charities helps to ensure more bang for your donated buck, regardless of the amount that you can afford to donate.

Warner says he learned that the first thing that you should do when it comes to donating to a diversified charity that has many causes is to specify how you want your money to be used. Don't assume that the charity automatically will do it. (You should know that each United Way chapter, for example, might charge a fee if you specify a cause, which reduces your donation's effect. You should check your charity's website to see whether it imposes such a fee.)

Warner says he seeks charities that work with other organizations to accomplish tasks, because that stretches your donation dollars. He's seen such partnerships work for his own charitable foundation. They produce lower overhead costs, which means that more dollars go toward the actual cause. (For more about charities, see "Using Your Head and Your Heart" at [ConsumersDigest.com](http://ConsumersDigest.com).)

When it comes to his own finances, the low-risk mutual funds in which he invests keeps his portfolio diversified.



Kurt Warner