

# Ask the Budget Guy

Submitted by Allen Gunter

## Do You Speak "Gotcha"?

While English may be our official language, "Gotcha" is quickly emerging as the language of choice for those who are after your money. Don't be confused. While Gotcha sounds a lot like English, the meanings are not what you think they are. So here's a handy guide to some of the more common Gotcha phrases and what they mean – don't leave home without it!

### Buying a Car or Truck

***What are you looking to spend a month?***

Translation: If I can keep you focused on the monthly payment and not the actual price, I can get you into something more expensive, especially if you let me help you get financing. Of course it may involve a five or six year note, but what the hey! It's more money in my pocket!

***Let me just make a copy of your driver's license and you can take this baby for a spin.*** Translation: While you're out for a ride and hopefully falling in love with the car, I'll run a quick credit check to see if it's worth my while to be spending any time with you.

***I'll beat anyone's price!*** Translation: But only if you can find someone to give you a price in writing, which they won't.

***For that same monthly payment, I can get you into your dream car if you lease. And you'll only be paying for the part of the car you use!*** Translation: And at the end of the lease you'll have nothing and need another car so you'll be back to see me. And of course you'll want another car at least as expensive. Plus you'll probably have to pay me the going average of \$1,500 in wear and tear, excess mileage and other fees!

### Buying Most Anything

***No money down, no payments and no interest until ...***

Translation: We've already got the cost of that built into the price anyway. And if you slip up in any way, we'll be able to charge you interest back to day one. (Or just pay cash today and ask us for a discount...)

***This price is only good today!*** Translation: If I don't get you to buy right now, you'll see it for less at one of our competitors.

***How about an extended warranty? It's only \$24.95 for one year, and it will cost you at least \$75 if you ever need to get this thing fixed. Just one repair and it will more than pay for itself!*** Translation: I get a bigger commission when I sell you an extended warranty because 50% of the warranty cost is pure profit! And don't pay any attention to the data from the Professional Servicers Association that says fewer than 3% of items break down during the extended warranty

period.

### Mortgages

***Mortgage.*** Translation: Comes from two Latin words, "mortuus" meaning "death" and "gage" meaning "pledge". So

"mortgage" means – "death pledge" or pledge to the death.

***Cut your monthly payment (or, manage your mortgage) with our new "I'm-a-Genius" interest-only mortgage.***

Translation: We will let you pay just the interest for a while, or when things get tough. That way you stay in debt longer and don't build up your equity. We get more of your money and you get all of the costs and obligations of home ownership without actually increasing your ownership.

***With our "Over-the-Top" loan, you can borrow more than you thought you could.*** Translation: We'll let you take out a mortgage for more than 100% of the value of your home. Or maybe a home equity loan based on 125% of the value of your home. In either case, we'll make more money and you'll have your house completely at risk. Plus we'll charge you a higher interest rate and make you buy some extra, high-priced mortgage insurance.

***Use our biweekly payment plan to save thousands in interest!*** Translation: Pay us a set-up fee and maybe a monthly processing fee even though you could do this on your own with no extra cost. And please don't read the fine print – we may hold your payments and not credit them until the end of the month even though we are pulling some payments from your bank account in the middle or even at the beginning of the month.

Help create the first ever "Gotcha" dictionary. Send your Gotcha translations to [BudgetGuy@SHPC.org](mailto:BudgetGuy@SHPC.org).

Looking for financial peace? Maybe one of these can help:

- Crown Financial Ministries small study group classes (Margaret Fetty, 288-9034)
- Finding Financial Peace (Sundays at 9:45am in the church library)
- Personal budget counseling (free and confidential; Allen Gunter, 292-4035 or [BudgetGuy@SHPC.org](mailto:BudgetGuy@SHPC.org))