

your LAW

SUMMER 2009

Know Before You Sign

Understanding Wedding Vendor Contracts

So you have picked out the flowers, the photographer, and the caterer, and you are ready to sign on the dotted line. But wait! Your wedding day may be the biggest day of your life — don't make it the most drama-filled. When you or your children are planning, make sure you understand what you are signing.

Most of the vendors you hire for your or your child's wedding will ask you to sign a contract. Even though the vendor may be the one supplying the contract, any contract should protect *both* you and the vendor. In the same vein, a wedding vendor, will want to ensure that a fair contract exists. You shouldn't feel pressured to sign anything that is too one-sided. Just because a contract may be a "standard" form does not mean that its language is all that "standard." Don't sign any contracts that give away all of your rights and fail to create any responsibilities for the vendor. If a vendor is unwilling to negotiate any of the contract terms, you may want to think twice about hiring that vendor.

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Organic, 100% Organic, Free-Range

What Does It All Mean?

As the summer unfolds, you may take a trip to your local farmers' market in search of the freshest berries and tomatoes. Or perhaps you are more of a grill king (or queen!), looking forward to that first summer hamburger. Whatever your plans, if you are someone who always tries to buy fresh, high-quality ingredients, chances are that you will see more than a few "organic" items for sale.

The federal and state governments play a large role in determining what foods get to our plate and how they get there. However, very few consumers know that the law historically had very little to say when it came to what food producers could claim as "organic." For many years, the organic food industry went unregulated, with producers being able to label their foods as they pleased. Consequently, unaware consumers spent extra money on food products, thinking they were getting an organic product, when in reality, they sometimes weren't.

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Depending on the type of loan, you may have the ability to defer your payments should you hit hard times.

Student Loans Aren't Free Money

For many families, particularly those facing layoffs and 401(k) losses, the prospect of paying for college or university education is daunting. However, for families with teenagers dreaming of dorms and chemistry labs, tuition is an expense that likely can't be postponed until the economy turns around. If your family is in a tough spot, certain programs and loans may be able to help. However, it is important to understand that even student loans have limits and potential pitfalls.

Before even thinking about turning to student loans, your family may first want to look for "free" tuition money; this means looking for ways to cut down on the tuition bill and finding aid that you will not have to repay. The best place to start is actually with the prospective school itself. Call the school's financial aid office, explain your financial situation, and ask to see if the school is willing to reduce your child's tuition. In response to tightening family budgets, some schools have set aside funds to assist newly cash-strapped families. For example, Michigan State University created an Adverse Economic Circumstances Fund to help "students whose families have encountered serious financial setbacks."

Other options for "free" money involve scholarships or grants. Scholarships and grants may be available through an organization that your family is associated with: employers or other local companies, as well as religious or professional groups. Scholarships and grants are frequently based on merit; however, "merit" can be gauged by any number of factors, including academic performance, or athletic achievement, just to name a few examples. Other awards may be based on economic need, religious affiliation, heritage, minority status, or community affiliation.

Your next possible funding source is likely federal financial-aid programs. There are a variety of federal student loan programs, each with their own set of requirements, limits, and guidelines. Generally the federal government sets the upper limits for the interest rates and fees that can be charged. The differences and similarities among these loans are complex but are carefully explained on the Web sites for the Federal Student Aid program (www.studentaid.ed.gov) and SallieMae (www.salliemae.com), and are also discussed by leading banking and lending institutions such as Chase (www.chase.com).

There are also private loans available through financial lending institutions. Because these options are often more expensive than federal programs and have more rigid repayment requirements, they should be your last option for financing higher education. Interest rates, limits, and repayments vary depending on the type of loan, the individual student's circumstances, and whether there is a co-signer.

If your family must turn to private loans, the student may want to consider finding a co-signer. A co-signer is an individual who is willing to accept liability for the debts and financial obligations of a second person. For example, Mom and Dad can cosign for their son Sam's college loan. If Sam fails to pay back his loan, the lender could come after his parents for the unpaid balance. So why would someone co-sign for another person? Co-signing a student loan can help the student get a lower interest rate on the loan. Co-signers are useful for younger students who don't have extensive credit histories — or who do, but ones that aren't very good. However, if you are thinking about cosigning a student loan, you must make sure the student understands that he or she is taking on an important responsibility. The student must be firmly committed to making all payments when due; not only is the student's credit history on the line, but so is yours.

Another note of caution (this applies particularly to private loans, but also generally to federal loans): make sure the lending institution you deal with is one you know and trust. Although interest rates offered from online lenders can be lower than those offered by brick-and-mortar institutions, you should ensure that you are borrowing from one that is

reputable and not some fly-by-the-night scheme. More often than not, if something seems too good to be true, it is.

Once you have your loan, be aware that you have certain rights and responsibilities. You have the right to get a copy of your repayment schedule and detailed information about the rates and fees you are being charged, as well as your balance. You also have the right to make prepayments (meaning you can pay more than what is due or before a due date) without penalty and to receive notification when you have fully paid off the loan. And, depending on the type of loan, you may have the ability to defer your payments should you hit hard times (deferments are discussed below).

On the flip side, you must live up to certain expectations. First, you must make every payment when due—even if you never graduated. You must also keep the lender up-to-date on any changes in your life, such as a change of residence or employer. Lastly, if you do need a deferment, you must make the proper requests as required by the lender.

What to Do If You Can't Pay

If you have recently lost a job or had to take a pay cut and still owe on student loans, you can't simply stop making payments. However, all is not lost. You should immediately look into deferment or loan forgiveness programs. Deferment programs allow you to postpone your repayment responsibilities for a certain period of time. The specific eligibility requirements and length of time for your deferment will vary depending on the type of loan and the lender. You must "qualify" for deferment. Qualifications can be based on a variety of circumstances, including economic hardship, national service, unemployment, taking on an internship, enrollment in school, and current military deployment. Loan forgiveness programs are different; they allow you to be forgiven for a portion of the loan, meaning you will no longer be responsible for it. In most common types of loan forgiveness programs, an individual with student loans goes to work in an industry that pays lower than average salaries. An organization or agency (sometimes the employer, other times a school or nonprofit organization) then pays off a portion of the employee's loan in exchange for his or her work. These programs are common among public interest agencies, volunteer groups, and the military.

If You Miss Payments: Handling Bill Collectors

If you are behind on student loan payments and are contacted by a debt collector, you should know that federal and state laws limit what the collector can say to you and when and how they can contact you. Under the federal Fair Debt Collection Practices Act (FDCPA), a debt collector is someone, other than a creditor or its employees,

who regularly collects consumer debts on behalf of creditors. This federal law does not cover creditors per se (unless the creditor uses a false name in attempting to collect the debt), although your state laws may govern them.

Debt collectors may contact you by mail, in person, or by telephone or telegram but cannot legally contact you at times they know are inconvenient for you (this doesn't apply if you agree to allow debt collectors to contact you during off-hours or a court specifically grants permission). Unless debt collectors have information to the contrary, they must assume that times before 8:00 A.M. and after 9:00 P.M. are not convenient. Also, debt collectors are not permitted to contact you at work if they know or have reason to know that your employer forbids employees from being contacted by collectors at the workplace. You can tell the debt collector what times and places are inconvenient for you. Debt collectors are also forbidden from contacting you if they know that a lawyer represents you in connection with the debt.

Assuming that debt collectors are contacting you during a permitted time and through a permitted way, there are still limits on what they can say. A debt collector may not harass, oppress, or abuse any person. For example, a debt collector may not use threats of violence to harm you, your property, or reputation; use obscene or profane language; repeatedly use the telephone to annoy you; or publish a "shame list" (though the debt collector can still report you to a credit bureau).

There are several steps you can take if you think a debt collector is breaking the law. Government agencies such as your state consumer protection office or the Federal Trade Commission can likely help you. Of course, you can always talk to your attorney about any unfair debt collection activities and work with your attorney to determine whether your best bet is to take legal action.

What to Do If You Have Problems

If your family is having problems with a lender of student loans (rather than a debt collector), know that you have rights. A good resource will likely be the Federal Student Aid Ombudsman (www.ombudsman.ed.gov). However, even the Ombudsman's Web site says that the most useful first step is often to try to resolve things yourself, so consider calling the loan servicer directly and expressing your concerns. Before calling, make sure you have all the necessary statements and account numbers. Write down any information you are given, including names and phone numbers. The Ombudsman's Web site has links to online tips on how to work with the Ombudsman's office and how to avoid problems altogether.

As indicated above, there are many ways to find funding and help to cover tuition fees if you and your family are willing to take the initiative. Tough financial times don't necessarily mean your family has to sacrifice education opportunities, but they do mean that you must make sure that you understand any debt you take on. [x](#)



Landlord Foreclosures Threaten Tenants

The headlines are filled with home foreclosure stories: the rising numbers, how families get to the point where their homes are at risk, what happens to neighborhoods experiencing foreclosures. Other stories often go untold, however, including those of renters whose apartment buildings have been foreclosed. What happens if you have been doing what you are supposed to be doing (paying your rent on time) but one day come home and find an eviction notice on your door? What are your rights?

When your landlord purchased the building in which you live, he or she likely applied for a mortgage. If your landlord fails to make the necessary mortgage payments, the lender can take steps to recover the money your landlord owes. If your landlord cannot come up with the money, the lender may foreclose on the property and order it sold. The proceeds from the sale are then used to repay the lender. Although a foreclosure can be a lengthy legal procedure with strict notice requirements (meaning that the foreclosing party must make sure the owner knows about any court hearings), tenants are rarely included on these notices.

This unfortunately means that you may not find out about your landlord's problems until it is too late. Legally, if your landlord's lender forecloses on the property, the lender can evict you and any other tenants, regardless of whether you are up-to-date on your

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rent. The lease you signed likely included a clause stating that any mortgage-holders would have "superior" rights to your rights in the property. This means that the lender's rights take priority over yours, even if this results in you ending up out on the street.

So what can you do if you or a family member find yourself in this dead-end situation? In some cases, depending on where you live, your local government may have already stepped in to provide you with some relief. For example, under California laws, most tenants will receive notice 30–60 days before they must move out. In other locations, local law enforcement agencies have refused to evict tenants of foreclosed properties for a period of time. Further, the federal bailout in early 2009 did contain some language and proposals to help tenants, although the specifics of these plans have yet to be worked out.

In December 2008, Fannie Mae, the government-backed mortgage company, announced that it would attempt to help out the tenants of buildings on which Fannie Mae was foreclosing. Under the announced plan, Fannie Mae will become a temporary landlord — extending month-by-month leases at market rate to the current tenants until the building is resold. This plan should provide some stability for tenants, allowing them a reasonable period of time to find new housing options.

However, if you or a loved one have come home to find an eviction notice on your door, these protections and policies may be too little too late. Your best options may be your local Housing and Urban Development office (visit www.hud.gov to find your local office), tenants association, or attorney. Such an advocate may be able to tell you whether your lease provides you with any protection, and what your next best step is. The most important thing to realize is that if you find out that your landlord is being foreclosed on you, must act quickly. [x](#)

If there is sufficient evidence of trustworthiness, many states now permit e-mail from a specific account to be regarded as signed.

A contract is a legal document outlining enforceable, voluntary promises between competent parties to do (or not do) something. In the case of a wedding vendors, the vendor is promising to do something for your wedding, playing music or delivering flowers for example, and you are promising to pay for these services. At their core, legal contracts are important binding documents that outline agreements; once signed you are likely stuck with whatever the contract says.

When presented with a contract from a vendor, such as a florist, you will want to make sure it contains all the necessary information. It should include your full name and that of the vendor; the date, time, and location of the wedding; an itemized list of precisely what you are contracting for (for example, the flowers you expect to see in the bouquets, boutonnières, and other arrangements); arrival and set up times; the name of the vendor contact whom you can reach on your wedding day; any payment schedules; the vendor's cancellation and refund policy; and your signature and that of the vendor.

A signature can be handwritten, but a stamped, photocopied, or engraved signature is often valid, as are signatures written by electronic pens. Even a simple mark or other indication of a name may be enough. Furthermore, if there is sufficient evidence of trustworthiness, many states now permit e-mail from a specific account to be regarded as signed. Some states have set out specific requirements for e-mail signatures. What matters is whether the signature is authorized and intended to authenticate a writing—in other words, whether it is intended to indicate the signer's execution.

Once the contract has been signed by both you and the vendor, make sure you keep a copy for your files. You may want to consider having copies of all of your contracts

on site during the wedding, perhaps entrusted to your wedding coordinator or a dependable friend who can handle anything that comes up during the day.

When entering into contracts with your wedding vendors, make sure that you understand all the clauses and passages. When in doubt, ask questions. And if you don't get answers that satisfy you, you may want to consider finding another company to work with.

Similarly, if you are in the wedding business, perhaps turning that photography hobby into a part-time job, you too will want to ensure that there is a valid contract clearly establishing your responsibilities and protecting your rights. Although you may be worried about presenting a contract to a prospective client, this should be a central part of any negotiation. However, before you get to that step, you should consult with your attorney for help in drafting a fair, legally valid contract. Although it may seem like an unnecessary expense at the time, this meeting may save you big bucks (and headache) down the line. [↗](#)

In recent years, the federal government has begun to step in, taking a look at what "organic" actually means and mandating certain labeling requirements. The United States Department of Agriculture (USDA) is the federal agency charged with providing direction and leadership for food and agriculture. As part of this role, the USDA has established a certification system ensuring that foods sold as "organic" actually follow some established production requirements. From the government's perspective the issue is not whether organic food is better or healthier, but truth in advertising.

Generally, organic foods are those that are free of man-made fertilizers, insecticides, herbicides, antibiotics, and hormones. In order to be certified by the USDA as organic, foods must meet USDA standards regarding how they are grown, handled, and processed. If the food meets the standards, the USDA organic label can appear on the label.

Foods can be certified as "100% organic" using the USDA label if they contain at least 95 percent organic foods. If the food contains between 70 percent and 95 percent organic foods, it must be labeled with a "Made with Organic Ingredients" label. Anything less than 70 percent? Under USDA guidelines, the product cannot display a certified label at all.

To complicate things even more, not all foods and food producers fall under this system. The USDA regulations apply only to meat, milk, eggs, cheese, and other "single ingredient" items. (So, for example, cookies wouldn't currently qualify.) And they only apply to *certain* farmers and food producers; namely, those that are larger. If a food producer sells less than \$5,000 a year in organic food, he or she is exempt. Further, the USDA has created another label for "certified naturally grown." This label is applied to smaller farms that sell only locally but still meet the USDA standards.

The USDA regulates only the use of the term "organic." Producers are still free to use similar sounding terms such as "all-natural" and "free range" as they please. Currently, there are no government limits on the use of such terms.

Since the USDA regulations cover only certain foods and certain food producers, it is impossible to verify all the organic claims that are now being made on behalf of a wide variety of food. Nevertheless, if you feel that a product has been purposefully mislabeled or includes a label that is misleading and confusing, you may be able to bring a complaint with your state's consumer protection agency. The best way to find the applicable agency in your state may be to start with your state's attorney general's office which you can find by visiting the National Association of Attorney General's Web site at www.naag.org. [↗](#)

GET IT IN WRITING!

Technically, most types of contracts don't have to be written to be enforceable. However, if a wedding vendor promises you something, you are best served if you can get it in writing as part of the contract. If you have signed a written contract with a vendor, and the vendor orally promises to do something else, you may have a problem proving this additional promise in court if need be. Courts typically look only to unrefuted testimony to help them fill in the blanks regarding disputed contract terms and are hesitant to add words or terms to any written documents.

In order to save yourself trouble down the road, get every promise and detail in writing *before* you sign on the dotted line.