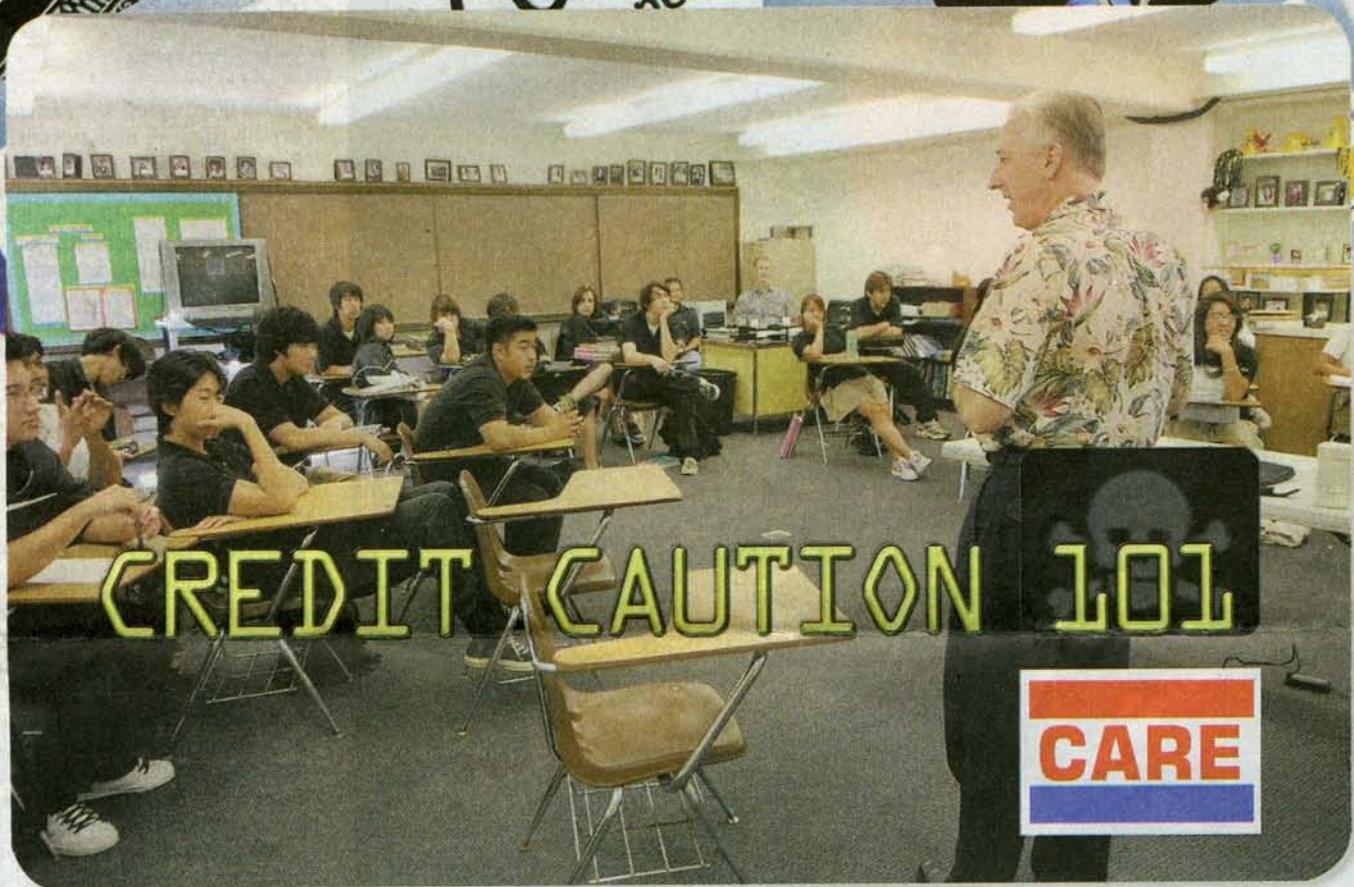




Business

E-mail: ayonan@HonoluluA

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Bankruptcy judge, lawyers giving Hawai'i teens stark advice about credit pitfalls

BY RICK DAYSOG
Advertiser Staff Writer

With bankruptcy filings in Hawai'i on the rise again, a federal judge is taking his message to an unlikely forum: The classroom.

Since last spring, U.S. Bankruptcy Judge Robert Faris and several local bankruptcy lawyers have gone to more than a dozen schools on O'ahu to talk about the pitfalls of using credit cards irresponsibly.

"The idea is to plant a seed with

kids before they develop bad habits or have gotten bad attitudes," Faris said.

"Some people go into bankruptcy for reasons totally beyond their control, but others go into bankruptcy because they make stupid decisions. Hopefully, we can help people from making stupid decisions."

The presentations are part of a nationwide effort by the federal bankruptcy court and called Credit Abuse Resistance Education, or CARE.

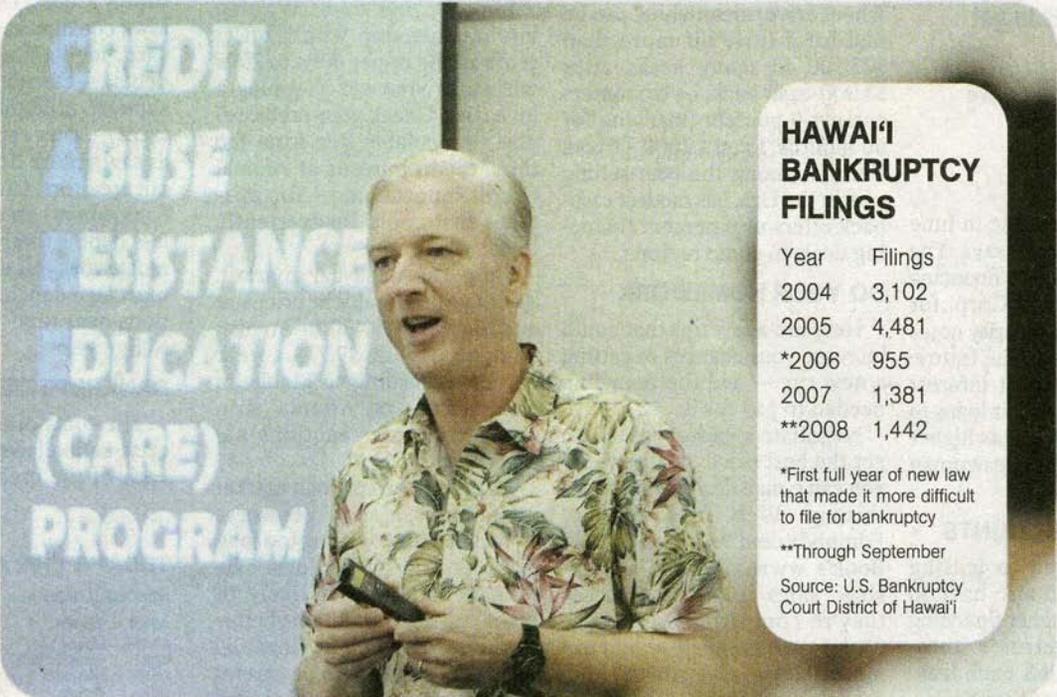
Often called a "scared straight" pro-

gram on credit card abuse, the program is aimed at providing practical and concrete advice to teenagers, who are aggressively targeted by the credit card industry.

On Monday, Faris and local attorneys Miranda Tsai and Christopher Muzzi gave a presentation to scores of high school seniors at the Hawaii Baptist Academy in Nu'uuanu.

Tsai got the immediate attention of students with some of the costly lessons relating to credit card abuse.

SEE CREDIT, F2



**HAWAII
BANKRUPTCY
FILINGS**

Year	Filings
2004	3,102
2005	4,481
*2006	955
2007	1,381
**2008	1,442

*First full year of new law that made it more difficult to file for bankruptcy

**Through September

Source: U.S. Bankruptcy Court District of Hawai'i

BRUCE ASATO | The Honolulu Advertiser

U.S. Bankruptcy Court Judge Robert Faris on Monday addressed a Hawaii Baptist Academy economics class on how to avoid getting into credit problems. Among other things, bad credit can hurt your job.

Credit

CONTINUED FROM F1

According to Tsai:

- The average graduating college senior owes about \$3,000 on his or her credit card.

- Missing a payment on a credit card usually significantly raises the interest rate on the card. A card carrying a 4.9 percent annual percentage rate could increase to about 24 percent after a missed payment.

- Someone who only makes minimum payments on a \$7,000 credit card balance would need 24 years to pay off the debt and interest. By that time, the card holder would have paid about \$10,000 in interest on top of the \$7,000 debt, Tsai said.

"If everyone were taught these principles on credit card use at a younger age, it would go a long way," Tsai said.

Faris warned that some employers now ask job candidates if they would submit to a credit check before they are hired.

Even though you can refuse that access to your credit history, the refusal could raise red flags with the employers.

"Having bad credit can affect your ability to get a job," Faris said.

"Many people don't want to hire people with financial trouble."

Senior Max Cleary said he saw

a lot of benefit in the presentation, especially if he decides to head to a Mainland college next year.

The example about missing credit card payments really hit home, he added.

"That's kind of frightening," he said.

Evan Kita, a senior at Hawaii Baptist Academy, said he was impressed by the presentation. Many of the concrete examples used by Faris and Tsai put the problem into perspective, he said.

"My parents tried to teach me about credit cards before, but with the visuals and the true-and-false examples, (it) really made it black and white," Kita said.

"Now, I know what the numbers mean."

Stan Herder, an economics teacher at Hawaii Baptist, found the presentation very helpful since many of his students "will face these kinds of situations as soon as they graduate, if not earlier."

Herder added that some of his past students who have gone off to college have run into a few of the problems described by Faris and Tsai.

"We as a school realize it's very important to get this kind of information and education out," he said.

Reach Rick Daysog at 525-8064 or rdaysog@honoluluadvertiser.com.



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EVAN KITA | Hawaii Baptist Academy senior



Photos by **BRUCE ASATO** | The Honolulu Advertiser

Miranda Tsai, an attorney with Ashford and Wriston specializing in bankruptcy, advised Hawaii Baptist Academy students of credit pitfalls and how to get and keep good credit.

TAPPING INTO THE EXPERTISE

To schedule a visit to your school, reach bankruptcy judge Robert Faris at:

care@hib.uscourts.gov

For further information about the CARE program, go to:

www.careprogram.us

To get a free copy of your credit report, see:

www.annualcreditreport.com

For further information about interest rates on credit cards, see:

www.bankrate.com

Other useful Web sites:

- www.smartmoney.com
- www.cardweb.com
- www.consumerdebt.com
- www.myFICO.com