



## Who We Are

Attorney General  
Tom Miller  
Office Directory

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Protecting Consumers  
Fighting Crime  
Helping Victims of  
Crime  
Working for Farmers  
Protecting the  
Environment  
Raising Child Support  
Awareness  
Representing State  
Government  
Issuing Attorney  
General Opinions  
Enforcing Tobacco Laws  
Protecting Utility  
Customers

## Resources

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## Consumer Advisory Bulletin

**"Zero-Percent Financing" Can Cost You Plenty!****Here are some advertising pitches that might capture your attention:**

"Zero- Percent Financing!"

"No Interest and No Payments Until 1999!"

"No-Interest Financing."

Here's the catch: Hidden costs or conditions may nullify any advantages of so- called "no-interest" payment plans. You have to be careful and study the details.

For example, in many "zero-interest" offers you do not have to pay interest for a specified period, say, six months -- but you must pay for the purchase in full by that date or you will be charged for interest on the entire purchase dating back to the purchase date. That detail often is included in the papers people sign, but they may not notice it.

Some "zero-interest" offers have important restrictions -- they may apply only to certain brands, or only to purchases over a minimum dollar amount.

In another variation, some "zero-interest" offers actually charge you for interest each month from the date of purchase and then provide a rebate at the end of the "no- interest" period -- but only if the payment has been made in full by then.

Some ads tout "no payments for six months" -- but, when payments do begin, you are obligated to pay interest that accrued from the date of purchase.

The Attorney General's Office sometimes challenges certain "zero-interest" ads as misleading or deceptive. But consumers need to be careful to protect themselves.

**Follow these tips to avoid being misled by "zero-percent" advertising:**

- Get more information -- go beyond ad headlines.
- Study the "fine print" in ads or call the store for details on restrictions, payment terms, and payment deadlines.
- Be sure to determine when you start owing and start paying interest.
- Ask the store to confirm in writing any information they tell you.
- Remember to shop the "bottom-line" price.
- Make plenty of comparisons with other offers. You may find a better ultimate price from a retailer that doesn't offer a "zero-interest" plan.
- Make sure you understand the program before you buy.

For more information, or to file a complaint about "zero-interest" offers, contact the Attorney General's Consumer Protection Division, Hoover Building, Des Moines, Iowa 50319. Phone 515-281-5926.

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