When An 18-Year-Old Signs His Name

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If you're denied credit

Asked for credit but can't get it? It may be because the lender thinks you don't have the necessary assets to pay back a loan. Or it may be because your local credit bureau has released your bad credit rating.

If you have been denied credit, you should ask to see your credit rating at the credit bureau. You will be required to fill out a form stating why you want to see your rating. If you have been denied credit, there will be no charge. If you have another reason, there may be a small charge. However, many credit bureaus make no charge regardless of why you want to see your rating.

When you get your credit rating, go over it to make sure all recorded facts are correct. Mistakes have been made before. Don't let an error harm your credit rating.

If you have questions

If you have questions about the new legal rights of 18-year-olds, consult your lawyer. And, of course, the home economist at your county Extension office will be happy to help you with questions about consumer problems.

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Since August 1, 1973, an 18-year-old in Indiana has the right to:

- Sign contracts
- Get Credit
- Be married without parental consent
- Own real estate
- Buy insurance
- Vote and hold many public offices
- Be licensed for several occupations previously restricted to people 21 or older
- File suit against others

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new responsibilities, too

But these new rights mean new responsibilities, too. If you’re an 18-year-old — or the parent of an 18-year-old — you should be familiar with these new responsibilities. Eighteen-year-olds should:

- Read and understand what they sign
- Be informed about the wise use of credit and be able to repay any credit they take out
- Carry out the responsibilities of marriage if they marry
- Be a responsible property owner
- Evaluate their needs for insurance before buying
- Register to vote and be an informed voter
- Accept the responsibilities of a licensed occupation
- Recognize others’ rights before filing suits

In accepting such responsibilities, 18-year-olds must understand what it means to be bound by a contract. And they must face the fact that they can be held legally responsible for failure to uphold their contracts!

If an 18-year-old accepts the new rights but not the new responsibilities, he may run into problems. An 18-year-old can be prosecuted for failure to meet these responsibilities — just as older adults can.

when you sign a contract

Because many of the new rights and responsibilities are related to contracts, let’s take a closer look at contracts and the 18-year-old.

If you are 18 or older, you will sign a contract when you buy on credit or take out a loan. A contract is a legal document. Once it is signed, it is binding. If your name is signed to a contract, you have agreed to everything in the contract.

Actually, contracts are a promise. When you have signed a contract, you must keep your end of the bargain, and the seller must keep his end. You must pay the amount of money stated in the contract. The item you buy on credit is not legally yours until the last payment is made, and you can’t sell the item until it is paid in full.

if you can’t pay

If you can’t live up to your end of the contract, let your creditor know immediately. He might be able to arrange a new payment plan.

The creditor has several rights in the event you fail to make a payment. The seller or lender can take back — or repossess — the item. He can demand payment in full, charge extra interest on late payments, and hire a collection agency to obtain late payments. Or, as a last resort, he may ask your employer to subtract the payment or part of it from your paycheck before you get your wages. This is called garnishment of wages. In severe cases of over borrowing and failure to repay, a creditor can force a borrower to go bankrupt.

before you sign

So you see, signing a contract is serious business. That’s why it’s important to read the contract and agree with its terms before you sign it. Ask questions if you don’t understand your rights, the seller’s rights, or your responsibilities. Don’t let a salesperson rush you. If he’s honest, he will give you time to think it over before you sign.

Before you sign a contract, be sure all copies of the contract are identical and all blank spaces are filled in with ink or type. Otherwise, a dishonest company could alter the contract after you’ve signed it.

Never accept verbal promises — unless they are incorporated into the written contract. A company is legally bound to honor promises that are in writing. So make sure any verbal promises are written on the contract.

once you’ve signed

Once you’ve signed a contract, be sure to keep a copy in a safe place. You may need to refer to it — especially if something goes wrong with the item you’ve bought on credit.

Keep a copy of all correspondence with the company. If you contact the company by phone, be sure to get the names of people you talk with. It’s always wise to follow up phone calls with a letter, too.

And don’t forget to contact your creditor immediately if you are unable to make a payment for any reason.