

Credit Protection Laws

Truth In Lending Act

- Requires disclosure of cost requirements for the APR (annual percentage rate) and the dollar amount of finance charges.
- Requires loan terms and conditions be disclosed.
- Regulates how credit terms are advertised.
- Prohibits sending non-requested credit cards by card issuers.
- Limits the liability of unauthorized use to \$50 per card for the cardholder.

Fair Credit Reporting Act

- Requires the disclosure of the name and address of any consumer-reporting agency that provides credit reports used to deny credit, insurance or employment.
- Provides the consumer with the right to know what is in his/her file. Have incorrect information investigated and removed and allows the consumer to include a 100-word statement in the file explaining the situation.
- Requires that a consumer's statement of disputed items be sent by the credit reporting agency to businesses or creditors. 1997 rules require more reporting requirements for stores, banks and credit agencies.
- Requires identification of consumers wishing to inspect their credit file.
- Requires when an investigation or information request is made of a credit file, the consumer be notified.
- Limits the length of time credit information may be maintained in a file.
- Establishes procedures debt collectors must use in contacting the debtor/credit user.
- Limits contracts with a third party by debt collectors.
- Establishes how a payment on several debts is applied and that no monies are applied to a debt in dispute.

Fair Credit Billing Act

- Establishes procedures to be followed when billing errors occur on revolving credit statements.
- Requires creditors to send to consumers a periodic statement, which outlines billing error procedures.
- Allows consumers to withhold credit card payments for faulty goods or services when purchased with a credit card. You must have made the purchase within 100 miles of your home and the item cost more than \$50.
- Requires creditors to credit the customer's account promptly and to return overpayments, if requested.

Equal Credit Opportunity Act

- Prohibits creditors from discrimination against credit applicants based on sex, race, marital status, national origin, religion, age or the receipt of public assistance.
- Prohibits the re-application for credit upon change of marital status.
- Requires creditors to contact applicants within 30 days of receiving a completed application with notification of rejection or acceptance.
- Requires creditors to report credit card payment histories on both the names of husband and wife, if both use and are liable for the account.

Fair Debt Collection Practices Act

- Prohibits debt collectors from using abusive, deceptive, and unfair collection practices.
- Prohibits the advertisement for sale of any debt to coerce payment of the debt.
- Collection activities must cease if the consumer sends a letter to the collection agency instructing the agency to cease all contact. After receipt of such notice, further contact generally may not be made, except to acknowledge that contact will cease, or to notify of certain actions.
- Prohibits the false representation or implication that the consumer committed any crime or other conduct in order to disgrace the consumer.