

Credit Legislation

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Concept of Credit is Old

- Credit legislation dates back to 1800 BC
- Records show that the king of ancient Babylonia decreed that all loans had to be accompanied by a written contract setting forth the terms of the loan.

Evolution of Money

- Prehistory – agricultural products
- 700 BC Gold Coins
- 1661 Modern paper money
- 1700 Checks and bank drafts
- 1916 The concept of installment loans was born
- 1959 Credit cards first came on the scene
- 1988 ATMs
- 1991 Debit Cards
- 1996 Chip Cards – Smart Cards

Consumer Credit is Relative New

- Consumer credit is a relatively new concept.
- It has been within the past 50 years that use of credit to buy clothing, food, furnishing and transportation as we know it today, has been acceptable.

What is Consumer Credit?

- Credit is using tomorrow's money today!
- When we use credit we discount the future.
- Credit is an arrangement to receive cash, goods or services now, and pay for them in the future.

Protecting Yourself Against Credit Card Fraud

- Sign new cards as soon as they arrive.
- Treat the cards like money – keep them secure.
- Shred anything with your account number on it.
- Don't give your number over the phone unless you initiate the call.

Protecting Yourself Against Credit Card Fraud

- Get your card and a receipt after every transaction and compare them to your bills when they arrive.
- Check your statements for errors.
- Notify issuer if you don't get your billing statement.
- Check your credit report every year.

Fair Credit Reporting Act

- Is your credit report accurate?
 - If you are denied credit based on your report, you can get a copy of your credit report free within 60 days of your request.
 - Inaccurate information must be corrected within 30 days.
 - Only authorized persons have access to your report.
 - Adverse data can be reported for 7 years and bankruptcy for 10 years.

What if You are Denied Credit?

- Ask the creditor to clarify the specific reason for denial of credit.
- Check your credit report file.
- Apply to another creditor with different standards.
- Take steps to improve your credit worthiness.

If You Are Denied Credit

- You have the right to provide a 100 word explanation in your file.
 - For example, you could explain if you were out of work due to an extended illness and were therefore late paying bills for a time.
- Seek help if you think there is discrimination.

Avoiding and Correcting Credit Mistakes

- Fair Credit Billing Act
 - Notify creditor of error in writing within 60 days.
 - Send it to the correct address.
 - They must respond within 30 days.
 - Credit card company has 90 days to resolve the problem or tell you why they think the bill is correct.
 - Won't affect your credit rating while in dispute.
 - You can withhold payment on shoddy goods if you have paid for them with a credit card.

Complaints About Consumer Credit

- First try to solve the problem directly with the creditor.
- If that does not work there are more formal complaint procedures.
- There are a variety of consumer credit protection laws and federal agencies who administer and assist with complaint procedures.

Truth In Lending Rights

- The Truth in Lending Law requires creditors to provide you with accurate and complete credit costs and terms. (APR)
- Creditors must disclose credit terms and information...
 - In a clear and conspicuous manner.
 - In a form you can keep.

Fair Debt Collection Practices Act

- Collection agencies...
 - Can't be abusive or threaten.
 - Can't call you at work if you say not to.
 - Can't tell boss and friends.
 - Can't call you at odd hours.
 - Must follow set procedures.
 - The act does not apply to creditors that try to collect the debt themselves.

Protection under other Consumer Credit Laws

- Consumer Leasing Act
- Equal Credit opportunity Act
- Fair Credit Billing Act
- Fair Credit Reporting Act
- Consumer Credit Reporting Reform Act

Identify Theft

- Protect yourself by shredding old credit slips, account statements, and credit offers you receive in the mail.
- You may not know your identity has been stolen until you receive a bill with charges that are not yours.

Identity Theft

- Take three actions once you know:
 - Contact the fraud departments of each of the major credit bureaus.
 - Contact the creditors for any accounts that have been tampered with or opened illegally.
 - File a police report.