



# Consumer News

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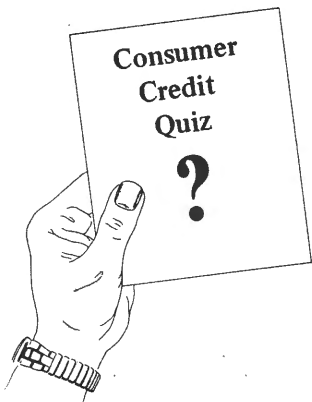
*The Bank Customer's Publication*

January 1981

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## How the FDIC Offers Protection To Consumers:

- By insuring bank customers' deposits up to \$100,000
- By regulating insured State-chartered banks that are not members of the Federal Reserve System (insured State non-member banks)
- By having FDIC bank examiners promote and maintain the safety and soundness of the banking system through examinations
- By having FDIC examiners ensure that the banks are complying with the federal consumer protection and civil rights laws.



If you had to take a quiz on how much you know about consumer credit laws, how high would you score?

If you feel that you would not score well on such a quiz, read this newsletter and those that follow. This is the first edition of a monthly newsletter to be published by FDIC to help educate bank customers about the consumer credit and civil rights laws.

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PREPARED BY THE DIVISION OF BANK SUPERVISION  
Federal Deposit Insurance Corporation  
Washington, D.C. 20429

# VIEWPOINT

## WHAT YOU SHOULD KNOW ABOUT YOUR CREDIT REPORT

Many people have probably never reviewed a copy of their credit report. In this automated age when computers store extensive information on individuals, it is imperative that you understand the nature and extent of information maintained and provided by credit reporting agencies.

A typical credit report contains a consumer's name, current and previous address, employer's name and address, social security number, year of birth, and the name of the consumer reporting agency.

In the sample credit profile provided with this newsletter, which the TRW Information Services Division has allowed us to use, the right hand column contains a detailed explanation of the computer codes which may be used in a report. The code numbers are different for each reporting agency and you should ask the credit agency to interpret these codes if you do not understand them.

It is important that you understand the "payment profile" because any payment received after the date specified in the loan contract is reflected in the credit report. Potential creditors often interpret this information to mean possible delinquency in meeting credit obligations. This is sufficient reason under the consumer credit laws for a lender to deny a request for credit.

This information may also include late payments which occurred as much as seven years earlier. Other adverse information may include any judgments or bankruptcies. The law regarding bankruptcies was recently changed and the length of time this information may be reported by credit agencies is now 10 years instead of 14 years.

The Fair Credit Reporting Act is enforced by the Federal Deposit Insurance Corporation on nonmember banks and was passed by Congress to ensure consumer protection against unfair or inaccurate consumer reports. If you discover that a consumer report is inaccurate, the law requires that the credit reporting agency reinvestigate and correct or update the information. The agency must also notify anyone who received inaccurate or incomplete information. You may request the credit agency to add to your credit record a statement describing any dispute or disagreement, so that it will be furnished to anyone requesting credit information about you.

Although all agencies' policies vary, some will provide the consumer with a copy of his or her credit report upon request and free of charge, if the consumer is denied credit. If the consumer is not denied credit but wishes to examine his or her file, the agency usually will charge the consumer between \$3 and \$5 for a copy.

## LO QUE USTED DEBE SABER SOBRE SU INFORME DE CREDITO

Muchas personas jamás han examinado una copia de su informe de crédito. En la presente era de automatización cuando las computadoras almacenan información extensa sobre individuos, es imperativo que usted conozca la naturaleza y amplitud de la información que es mantenida y suministrada por las agencias de información de crédito.

Un informe de crédito típico incluye el nombre del consumidor, la dirección corriente y las direcciones previas, el nombre y la dirección del patrón, el número del seguro social, la fecha de nacimiento, y el nombre de la agencia de información sobre el consumidor.

Incluimos en este boletín un modelo de un informe de crédito. Este modelo incluye en la columna derecha una explicación detallada de los números claves de la computadora que pueden ser asignados a un informe. Usted debe indicarle a la agencia de información de crédito que le suministre una explicación de los números claves, ya que éstos pueden ser diferentes en cada agencia.

Es importante que usted conozca el historial de pagos en un préstamo, ya que cualquier pago recibido después de la fecha especificada en el contrato del préstamo puede ser incluido en el informe de crédito. Los acreedores frecuentemente interpretan esta información como un factor indicador de morosidad en el cumplimiento con las obligaciones de crédito. Bajo las leyes de crédito del consumidor este factor puede ser la razón para que un prestamista le niegue crédito a un solicitante.

El informe de crédito puede incluir los pagos atrasados que se efectuaron por un período de siete

años. La información adversa también puede incluir cualquier fallo judicial o quiebra. Recientemente la ley sobre quiebra fue modificada y el período que dicha información puede ser divulgada por las agencias de información de crédito es de 10 en vez de 14 años.

La Corporación Federal de Seguro de Depósitos vela por el cumplimiento de la Ley Sobre Justa Información de Crédito en los bancos de carácter Estatal que no son miembros del Sistema de la Reserva Federal. Esta ley fue aprobada por el Congreso para proteger a los consumidores de la circulación de informes sobre el consumidor incorrectos y obsoletos. Si usted descubre que un informe sobre el consumidor incluye información incorrecta la ley requiere que la agencia de información de crédito reinvestigue y corrija o ponga al día dicha información. La agencia de información de crédito tiene que notificar a aquellos que recibieron información incorrecta o incompleta. Usted también puede exigir a la agencia de información de crédito que incluya en su expediente su versión de cualquier discrepancia o disputa ya que ésta será suministrada a cualquiera que la solicite.

Si al consumidor le niegan crédito, él puede solicitar información al respecto. Algunas agencias de información de crédito le proveerán libre de gastos una copia del informe de crédito. Si a éste no le niegan crédito, pero desea información sobre el mismo, la agencia de información de crédito puede cobrarle de \$3 a \$5 por una copia del informe de crédito.

## SAMPLE UPDATED CREDIT PROFILE

PREVIOUS ADDRESSES	APPLICANT'S NAME	CURRENT ADDRESS	TYPE, TERMS AND AMOUNT					
SUBSCRIBER NUMBER	SOCIAL SECURITY NUMBER	YEAR OF BIRTH	EMPLOYMENT					
<b>TRW CREDIT DATA</b> <b>UPDATED CREDIT PROFILE</b> <b>CONFIDENTIAL</b>								
TNJ      INQUIRY INFORMATION								
RTSH 122250XXX CONSUMER JOH QS 10655 B 11201 P-11283 G 19101 165 A 33101 S-548603388 Y-1944 T-18010005 E-AJAX HARDWARE/2035 BROADWAY/NEW YORK 10001								
PAGE 1	DATE 2-28-79	TIME 1:23:42	PORT AB32      HV A19      CONSUMER					
1	JOHN Q. CONSUMER 10655 BIRCH ST BROOKLYN NY 11201	2-79	AJAX HARDWARE 2035 BROADWAY NEW YORK 10001      SS# 548603388					
POS	NON	SUBSCRIBER NAME/COURT NAME	SUBSCRIBER # COURT CODE	ASSN. CODE	AMOUNT	BALANCE	ACCOUNT NUMBER/DOCKET	PAYMENT PROFILE NUMBER OF MONTHS PRIOR TO BALANCE DATE
5	DATE REPORTED/INQUIRY	DATE OPENED	TYPE	TERMS				1 2 3 4 5 6 7 8 9 10 11 12
A		MOUNTAIN BK CUR WAS 30-2	1131035	2	36	\$4286	3562401973	CCCCC1CC165
A		HILLSIDE BK CUR ACCT	1140018	1	1	\$5300	29144508119	CCCCC
A		HEMLOCKS CUR WAS 90	1306601	2	REV	\$600	986543184026	CCCCCCC321CC
A		BAY CO CUR WAS 60	1336090	1	CHG	\$300	46812391013	CCCC2CCCCC
A		BOWERS CUR ACCT	1365771	0	REV	-\$100	212250	
M		WISTERIA FIN PAID SATIS	1542240	0	SEC	\$500	5238610	
A		HILLSIDE BK INQUIRY	1140018	48	AUT	\$5300		
M		REVOLVING CREDIT CORP INQUIRY	1600829	24	ISC	\$800		
A		GROVE CREDIT UNION INQUIRY	1784340	12	H/I	\$1000		
		SPR CT TRENTON COURT JUDGMENT 9-19-77	1011207			\$300	07505853 JONES	
		*ATTN* FILE VARIATION: SPOUSE INIT IS W						
		JOHN Q CONSUMER 10655 BIRCH ST BROOKLYN NY 11201						
		GARDEN FIN DELINQ 90	1500132	1	12	\$500	241870	\$49 21CCCCCCCC
		TRW CREDIT DATA WILL ACCOMMODATE UP TO A 100 WORD CONSUMER STATEMENT IN ACCORDANCE WITH THE FAIR CREDIT REPORTING ACT.						
		END						

- Name and address as reported by a subscriber and stored in the computer.
- Employment name and address as reported by a subscriber on the date shown and stored in the computer.
- Columns under Account Profile indicates negative, non-evaluated and positive status comments.
- A and M indicate the method by which the credit grantor reports information to TRW:  
(M) Manual: Manually prepared form.  
(A) Automated: Automated tapes, prepared from the credit grantor's computer.
- Name and number of reporting subscriber.
- Association Code.
- Account or Docket Number.
- Current status of account.
- The status shown in Number 8 is as of this date.
- Date account opened; type, terms and amount of account when opened.
- Balance on account, date input, and amount past due, if applicable.
- 12-Month Payment Profile—Shown are the definitions of the coding that will display in the 12-month payment profile for balance reporting subscribers only.  
C —Current  
1 —30 days past due  
2 —60 days past due  
3 —90 days past due  
4 —120 days past due  
5 —150 days past due  
6 —180 days past due  
—(Dash)—No history has been reported for that particular month.  
Blank —No history maintained, see status comment.
- Two lines of data for each transaction.
- Legal data: Court name, court code, docket number, public record items, filing date, amount, judgment creditor.
- File Message—Indication of a variation between the input data and file identification.
- Up to 100 word statement by consumer request.

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IMPORTANT: Use of this information is governed by the terms and conditions of the subscriber agreement. NOTE: It is possible that all of the above information may not pertain to the individual inquired upon unless otherwise noted. Employments shown on this report are as reported by subscribers.

TRW CREDIT DATA, a division of TRW Inc.

## modelo de un Informe de Crédito

<b>Dirección Previa</b>	<b>Nombre del Solicitante</b>	<b>Dirección Actual</b>	<b>Clase, Términos y Cantidad</b>
<b>Número del Subscriptor</b>	<b>Número del Seguro Social</b>	<b>Fecha de Nacimiento</b>	<b>Empleo</b>
<b>TRW CREDIT DATA</b> <b>UPDATED CREDIT PROFILE</b> <b>CONFIDENTIAL</b>			
TNY RTSH 122250XXX CONSUMER JOH QS P10655 B 11201 P-11283 G 19101 165 A 33101 S-548603388 LY-1944 T-18010005 E-AJAX HARDWARE/2035 BROADWAY/NEW YORK 10001			
PAGE 1	DATE 2-28-79	TIME 1:23:42	PORT AB32    HIV A19    CONSUMER
1	JOHN Q. CONSUMER 10655 BIRCH ST BROOKLYN NY 11201	2-79	AJAX HARDWARE 2035 BROADWAY NEW YORK 10001      SS# 548603388
3	SUBSCRIBER NAME/COURT NAME		SUBSCRIBER # COURT CODE
4	STATUS COMMENT 5		DATE REPORTED INQUIRY
6	DATE OPENED		TYPE
8	TERMS		AMOUNT
10	BALANCE		BALANCE DATE
11	AMOUNT PAST DUE		PAYMENT PROFILE NUMBER OF MONTHS PRIOR TO BALANCE DATE
12	1		2
13	A		M
14	MOUNTAIN BK		1131035
15	CUR WAS 30-2		36
16	HILLSIDE BK		114001R
17	CURR ACCT		1
18	HEMLOCKS		1306601
19	CUR WAS 90		2
20	BAY CO		1336090
21	CUR WAS 60		1
22	BOWERS		1365771
23	CURR ACCT		0
24	WISTERIA FIN		1542240
25	PAID SATIS		0
26	HILLSIDE BK		114001R
27	INQUIRY		48
28	REVOLVING CREDIT CORP		1600829
29	INQUIRY		24
30	GROVE CREDIT UNION		1784340
31	INQUIRY		12
32	SPR CT TRENTON		1011207
33	COURT JUDGMENT 9-19-77		300
34	*ATTN* FILE VARIATION: SPOUSE INIT IS W		15
35	JOHN Q CONSUMER		1500132
36	10655 BIRCH ST		1
37	BROOKLYN NY 11201		12
38	GARDEN FIN		500
39	DELINQ 90		49
40	TRW CREDIT DATA WILL ACCOMMODATE UP TO A 100 WORD CONSUMER STATEMENT		16
41	IN ACCORDANCE WITH THE FAIR CREDIT REPORTING ACT.		
42	END		

- Nombre y dirección divulgados por el subscriptor y almacenados en la computadora.
- Nombre y dirección del empleo divulgados por el subscriptor en la fecha indicada y almacenados en la computadora.
- Las columnas bajo el encabezamiento "account profile" (historial de cuenta) indican comentarios negativos, comentarios no evaluados y comentarios positivos.
- Las iniciales "A" y "M" indican el método por el cual el otorgante de crédito divulgó la información al TRW (agencia de información del consumidor): (M) Manual: si el formulario fue preparado manualmente (A) Automatizado: si el formulario fue preparado por la computadora del otorgante de crédito.
- Nombre y número del subscriptor que divulga información.
- Número clave de la asociación.
- Número de cuenta o número de registro.
- Estado corriente de la cuenta.
- El estado que se refleja en el número 8 es a partir de esta fecha.
- Fecha en que se abrió la cuenta, la clase, los términos, y la cantidad de dicha cuenta.
- Balance de la cuenta, fecha en la cual se hizo la entrada, y si es pertinente la cantidad sobrevencida.
- Historial de pagos durante 12 meses: en el historial de pagos de 12 meses mostramos las definiciones de las claves que exhiben el balance de los subscriptores que divulgan información.  
 C —al día  
 1 —30 días sobrevencido  
 2 —60 días sobrevencido  
 3 —90 días sobrevencido  
 4 —120 días sobrevencido  
 5 —150 días sobrevencido  
 6 —180 días sobrevencido  
 —(raya) —No han divulgado historial para ese mes en particular.  
 Blanco —Vea los comentarios, no han mantenido historial.
- Dos líneas de datos por cada transacción.
- Datos legales: nombre de la corte, código de las corte, número del registro, artículos de registros públicos, fecha de archivo, cantidad y decisión del acreedor.
- Mensaje en el archivo: indicación de cualquier discrepancia entre los datos entrados y la identificación del archivo.
- Declaración (de hasta 100 palabras) solicitada por el consumidor.

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# QUESTIONS FROM BANK CUSTOMERS

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**QUESTION:** Is there a grace period in which to cancel the original purchase of a certificate of deposit (CD)?

**ANSWER:** No, however, if you already have a certificate of deposit and it reaches its maturity date, there may be a grace period to either renew the CD or withdraw the money. Check the language on your CD.

**QUESTION:** What is the highest interest rate a lender can charge on a loan?

**ANSWER:** Maximum interest rates are controlled by the individual States and rates may vary from State to State. To find out the allowable rate for your State, contact the State Banking Authority or Commission.

**QUESTION:** How long can a bank put a "hold" on a check? (Delay in making funds deposited by a consumer available for withdrawal)

**ANSWER:** This depends on the individual bank's policy. The period may vary from immediate credit to more than 10 days on certain out-of-state banks. Banks usually consider the type of check and the payor as well as the location of the payor's bank in establishing criteria for delaying the availability of funds.

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CONSUMER HOTLINE — 800-424-5488

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## DOs AND DON'Ts

### DO

Do obtain and retain deposit slips until your account has been credited, as reflected on your statement.

### DON'T!

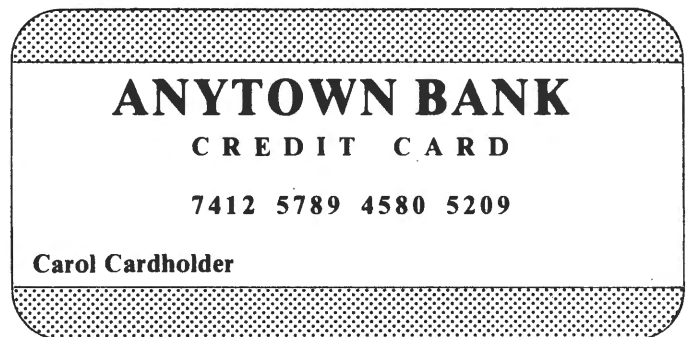
Don't wait more than 24 hours to report lost or stolen cards.

### DO

Do keep a list of your credit card numbers and immediately notify all card issuers if your credit cards are lost or stolen.

### YOU ARE LIABLE FOR UNAUTHORIZED CREDIT CARD USE ONLY IF:

1. The card was issued at your request.
2. The card issuer provided some means, such as a line for your signature or a photo, for stores that accept the card to identify you as the person authorized to use it.
3. The card issuer notified you of your maximum potential \$50 liability.
4. The card issuer provided you with a self-addressed envelope or form to notify them of loss or theft.



### REMEMBER CONSUMERS ARE PROTECTED BY THE TRUTH IN LENDING ACT!

The TILA requires creditors to disclose credit finance charges and annual percentage rates. The TILA protects consumers against unauthorized credit card use. The TILA regulates the advertising of credit terms. The TILA gives the consumer cancellation rights when a home is used as security in a credit transaction. For additional information about the TILA, request a copy of the pamphlet "Truth In Lending Act" from the FDIC.

# WHAT YOU SHOULD KNOW ABOUT SUPERVISORY AGENCIES

If you have a consumer or civil rights complaint against a lending institution regulated by one of these supervisory agencies, you are urged to first try to resolve your problem directly with the institution. If, however, you are unable to do so, please write to the supervisory agency that regulates your financial institution.

If you are unable to decide which agency to contact, call the FDIC on the toll free number - 800-424-5488.

## OFFICE OF THE COMPTROLLER OF THE CURRENCY

The Office of the Comptroller of the Currency (OCC) was established in 1863 as a bureau of the Treasury Department. It is headed by the Comptroller who is appointed by the President, with the advice and consent of the Senate, for a 5-year term. The OCC regulates national banks.

Comptroller of the Currency, Consumer Community & Fair Lending, Examination Division, Washington, D.C. 20219

## FEDERAL RESERVE SYSTEM

The Federal Reserve System (FRS) was established in 1913. It is headed by a seven member Board of Governors, each of whom is appointed by the President with the advice and consent of the Senate for a 14 year term. The President selects two Board members to serve 4-year terms as Chairman and Vice-Chairman. The FRS regulates State-chartered banks that are members of the FRS.

Division of Consumer & Community Affairs, Board of Governors of the Federal Reserve System, 20th and Constitution Avenue, N.W., Washington, D.C. 20551

## FEDERAL HOME LOAN BANK BOARD

The Federal Home Loan Bank Board (FHLBB) was established in 1932. It is headed by a bi-partisan three-member Board. Members of the Board are appointed by the President with the advice and consent of the Senate. Each member is appointed for a 4-year term. The Board is headed by a Chairman who is designated by the President. The Board regulates federally chartered savings and loan associations and supervises the Federal Home Loan Bank System and the Federal Savings and Loan Insurance Corporation (FSLIC).

Department of Consumer & Civil Rights, Federal Home Loan Bank Board, 1700 G Street, N.W., Washington, D.C. 20552

## FEDERAL DEPOSIT INSURANCE CORPORATION

The Federal Deposit Insurance Corporation (FDIC) was created in 1933 as the third federal bank regulatory agency. It is headed by a three-member Board of Directors, no more than two of whom may be of the same political party. Two of the Directors are appointed by the President with the advice and consent of the Senate for 6-year terms, and one of those two is elected by the Board to be Chairman. The Comptroller of the Currency is the third Board member and serves on the Board during his or her tenure as Comptroller. The FDIC regulates insured State-chartered commercial and mutual savings banks that are not members of the Federal Reserve System.

Office of Consumer and Compliance Programs, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429

## NATIONAL CREDIT UNION ADMINISTRATION

The National Credit Union Administration (NCUA) was created in 1970 to charter, examine, supervise and provide insurance for all federal credit unions and those state-chartered credit unions which apply and are accepted for insurance. The NCUA is headed by a seven-member Board appointed by the President with the advice and consent of the Senate, for 6-year terms. The Board consists of a Chairman, named by the President, and one member from each of the six regions.

National Credit Union Administration, Division of Consumer Affairs, 1776 G Street, N.W., Washington, D.C. 20456

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