



Consumer News

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The Bank Customer's Publication

March 1981

Volume I No.3

How To Save Time By Banking Electronically

The Electronic Fund Transfer (EFT) is a relatively new method of making and receiving payments that has begun to replace the use of checks and cash.

With EFT, the transfer of funds is done electronically rather than manually with paper instruments or currency. Common consumer-oriented EFT services include automatic teller machines, telephone bill-paying systems, and direct electronic deposit of social security and other government benefit payments.

Direct deposit of government benefit payments is the EFT service most likely to affect the elderly and handicapped. In this service, the Treasury Department transmits, by magnetic tape, the amount of the payment to the beneficiary's financial institution. The institution then credits the payment to the consumer's account.

The benefits of direct deposit are as follows:

- There is no danger of a lost or stolen check because no check is involved in the transaction.
- Consumers need not visit the financial institution personally to deposit checks.
- Consumers have the use of funds from the day they are received at the financial institution.

Consumers are protected by the Electronic Fund Transfer Act. This law requires a bank to provide customers with a

record of all electronic transactions and a phone number to report any unauthorized transactions reflected on the statement. Some banks offer 24-hour customer service phones at electronic banking locations, such as an Automatic Teller Machine.

If a customer finds a discrepancy or bank error when reconciling the statement, the bank must investigate it and get back to the customer within ten business days after the first report of the problem. If the bank takes more than ten days, the disputed amount must be recrated, and the customer gets full use of the funds until the issue is resolved, which must be done within 45 days.

The bank must notify a customer in writing if it believes it wasn't in error. A consumer has a right to request copies of the bank's investigation documents in order to make his or her own determination.

If the customer still believes the bank is in error and the bank is an FDIC-insured, State-chartered institution not belonging to the Federal Reserve System, the customer should write to the nearest FDIC regional office or to the Federal Deposit Insurance Corporation, Office of Consumer and Compliance Programs, 550 17th Street, N.W. Washington, D.C. 20429, and include copies of the investigation documents.

Where To Go For Help With Money Problems

Many people occasionally run into difficulty in keeping up with bill payments. If you are having such problems and cannot easily solve them, you should not hesitate to seek help.

You should first discuss the matter with your creditors and see if a revised repayment plan can be worked out. In addition, a consumer credit counseling service can help you set up a realistic budget for resolving money problems and living within your means.

If your difficulties are serious, a counseling service can establish a long-term program for paying off your debts, helping you to stay out of debt and winning back a good credit rating.

REMEMBER: When you find yourself getting into difficulty, you should take corrective steps before your creditors take action against you.

A Credit History Is A Must For The Widowed Or Divorced

One of the many problems that confront women upon the death of a husband or divorce may be the loss of their credit accounts. Many women find that credit accounts they have shared for years with their husbands are suddenly terminated upon death or divorce, and they are unable to qualify for an account in their own names because they have no independent credit history. This sudden loss of credit, at a time when credit may be most needed to handle large expenses and delays in benefit payments, can create tremendous additional emotional strain and may precipitate a financial crisis.

The law generally permits a creditor to close a shared account upon the death of one spouse. Under the Equal Credit Opportunity Act, however, the surviving spouse may reapply for individual credit and has the right to rely on the credit history of accounts shared with the late spouse, even if the accounts were listed solely in the latter's name. Some creditors will automatically extend individual credit to a widow (or widower) upon request if there is a good payment record on the shared account, but this practice is not required by law.

Prior to the Equal Credit Opportunity Act, it was the general practice of creditors to report joint account information only in the husband's name. The law now requires that creditors report payment histories in the name of each spouse who is contractually liable for or who is authorized to use an account. Women should contact their creditors to make sure that current accounts are being reported in their names.

The Equal Credit Opportunity Act also requires creditors to consider, at an applicant's request, the shared credit history of spouses, if the applicant can show that it applies to her or him. Cancelled checks, for example, could show that a wife was responsible for paying monthly bills on time.

Additionally, if a widow shared accounts with her late husband that were opened before June 1, 1977, and now are closed, she should contact her local credit bureau to determine whether the accounts are listed in her file. The Fair Credit Reporting Act gives consumers the right to be told the contents of their credit files and to have inaccurate or incomplete information corrected.

Los Historiales De Credito Pueden Beneficiar A Las Mujeres

Uno de los problemas que las mujeres confrontan al morir su esposo o al divorciarse puede ser la pérdida de sus cuentas de crédito. Muchas mujeres descubren que las cuentas de crédito que por años habían compartido con su marido son terminadas precipitadamente con la muerte o el divorcio. Se encuentran también que no califican para obtener una cuenta en su nombre, ya que no tienen un historial de crédito propio. Esta pérdida de crédito súbita puede crear una crisis financiera durante un período que el crédito puede ser necesario para manejar gastos grandes y demoras en los pagos de beneficios.

Generalmente la ley permite que un acreedor salde una cuenta que ha sido compartida por ambos cónyuges al morir uno de éstos. Sin embargo, bajo la Ley Sobre Igual Oportunidad de Crédito el cónyuge sobreviviente puede volver a solicitar crédito propio, y tiene el derecho de contar con las cuentas que había compartido con su cónyuge aún cuando las cuentas estaban inscritas solamente en el nombre de éste. Algunos acreedores le extienden automáticamente crédito individual a una viuda (o viudo) si lo solicita y si la cuenta que éstos compartían tenía un buen historial de pagos, aunque esta práctica no se requiere bajo la ley.

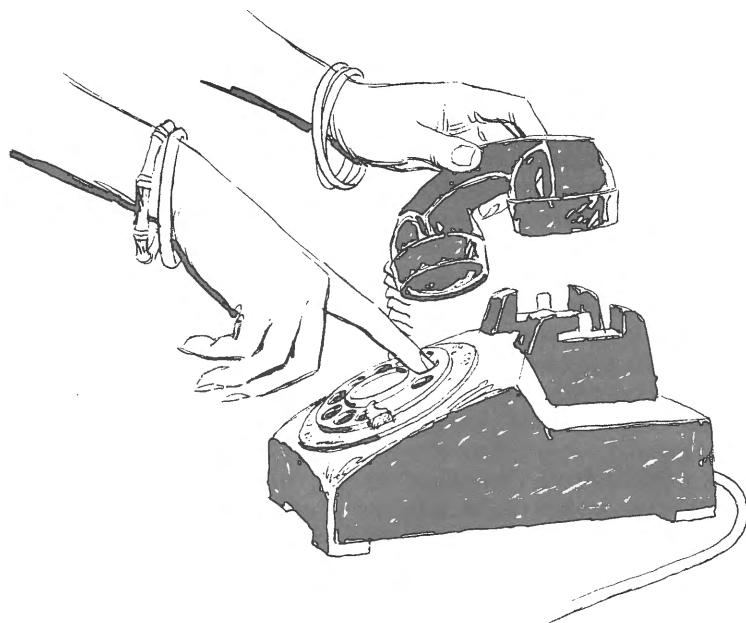
Una mujer que posee o poseía una cuenta de crédito mancomunada con el previo esposo puede que no tenga el historial de crédito en su nombre, ya que antes que la Ley Sobre Igual Oportunidad de Crédito fuera

aprobada los acreedores divulgaban información de crédito sólo bajo el nombre del esposo. En la actualidad la ley requiere que los acreedores divulguen el historial de pagos bajo el nombre de cada cónyuge que es responsable bajo contrato o que está autorizado a utilizar la cuenta. Las mujeres deben comunicarse con sus acreedores para verificar que las cuentas corrientes estan divulgadas en su nombre.

La Ley Sobre Igual Oportunidad de Crédito requiere, si el solicitante lo desea, que los acreedores consideren el historial de crédito que el solicitante compartió con su cónyuge si puede demostrar que se adjudica a ella o él. Por ejemplo, los cheques cancelados pueden ayudar a demostrar que una esposa fue responsable de hacer los pagos mensuales a su debido tiempo.

Además, una viuda puede comunicarse con la agencia de información de crédito local si compartía cuentas con su esposo que en la actualidad están saldadas pero fueron abiertas antes del día 1^{ro} de junio, 1977, para verificar si las cuentas que compartía con su esposo estaban en su nombre en el expediente. La Ley Sobre Justa Información de Crédito le provee a los consumidores el derecho de conocer la información que contiene el expediente de crédito y el tener información incorrecta e incompleta corregida. Las mujeres deben verificar si tanto los acreedores como las agencias de crédito están divulgando su propio historial de crédito.

Questions From Bank Customers



FDIC CONSUMER HOTLINE

— 800-424-5488 —

Q. If a wife co-signs her husband's loan, can she be held liable if he defaults on his payments?
A. Yes. As a co-signer, she can be held liable for the payments.

Q. Does the FDIC insure certificates issued by Money Market Mutual Funds?
A. No. The FDIC does insure certificates of deposit and other deposits in all national banks and most State-chartered commercial and mutual savings banks in the United States.

Q. Is a bank required to give a 30-day notice when changing its credit card terms?
A. The 30-day notice requirement applies to notices mailed on or before September 5, 1980. Notices mailed after that date are subject to a 15-day notice under the Truth In Lending Act, or a longer period if required by state law.

Q. Where can a person buy a Treasury bill?
A. U.S. Treasury bills may be purchased directly from a Federal Reserve Bank or branch acting as a fiscal agent of the United States, or from the Treasury Department. You may obtain further information by writing to: Bureau of the Public Debt, Department F, Washington, D.C. 20226. You also may purchase U.S. Treasury bills from commercial banks and other financial institutions. However, these institutions usually charge a fee for this service.

Q. If a person files for bankruptcy, how long will this information remain on his/her credit record?
A. Under the Fair Credit Reporting Act, as amended October 1, 1979, a consumer reporting agency may report cases under Title 11 of the United States Code or under the Bankruptcy Act for up to ten years after adjudication.

Avoid Problems By Keeping Records And Protecting Credit Cards

Credit cards, like Electronic Fund Transfer Services, reduce the opportunities for criminals to steal cash, but they present other potential problems.

One problem that can occur is the dishonest sales clerk who runs off several slips when you present your card for imprinting when making a purchase. The clerk later fills in an amount on each slip and submits them for collection.

Try to watch your card while it's being imprinted, especially in large stores with many cash registers. Know where your card is, be sure to get it back from the merchant, always check it to catch a switch, and don't let it lie on a counter.

It is important that you check your card receipts against your credit card statements. If you don't keep and file your credit card receipts with other records so you can check them, you might easily pay the fake bills.

Consumers should never give out their credit card numbers. If someone phones and requests your credit card number for any reason, ask for a number to call back — then call the police.

Never let your credit card be photographed. Thieves can

use the number. Credit cards are valuable. They represent cash.

Your EFT Card

The good thing about an Electronic Fund Transfer card is that it is of no use to a thief or anyone else without your secret code or number. The electronic machine won't work without it.

Sometimes the bank assigns the code, but if you can, select your own code carefully, one that you will always remember.

Never use your name, birthdate or social security number or that of a family member. These are the most obvious codes and are most often tried by anyone who has your card and access to this information.

Never write the code on the card or keep it on a piece of paper in your wallet. Never share your secret code with anyone, not even your children. Children have been known to supplement their allowance with a parent's EFT card. Always have privacy at the machine. If an onlooker waits beside or behind you, don't hesitate to shield the keys with your hand.

How Consumers Are Protected Against Abusive Practices By Debt Collectors

While the Fair Debt Collection Practices Act can not be used to cancel any debt a consumer may owe, it does protect the consumer from offensive debt collection practices.

The Act covers debt collection agencies, but not creditors who send out their own bills. However, if a creditor uses a name other than his own which indicates that a third party is collecting the debt, the Act applies to the creditor. Some collection agencies hired by creditors to collect debts have used harassing tactics in seeking payment of bills for medical care, furniture, automobiles, appliances or department store merchandise.

For example, consumers have been called by debt collectors who threatened to notify the consumer's employer about his or her debts. In some instances, collectors have caused debtors to lose their jobs by contacting their employers.

The Fair Debt Collection Practices Act prohibits collectors from using threats of violence or harming a consumer's reputation. Collectors may not use obscene language, give false identification, call collect, or call during the night to try to collect bills.

The collector may not imply that he works for a credit bureau or that a crime has been committed through nonpayment of a debt or threaten court action if no such action is planned.

A debt collector may not contact any person or organization to locate the consumer, except the consumer's place of employment to verify the consumer's address. A collector may not discuss the debt with any person he contacts except the debtor.

The Act permits a debt collector to contact the consumer in person or by mail, telephone or telegram, but not before 8:00 a.m. or after 9:00 p.m.

A consumer can send a debt collector a written notice prohibiting further contacts by the collector. Once this is done, the collector cannot contact the consumer again except to tell the consumer there will be no further contact and to notify the consumer that specific action will be taken if such action is actually planned.

The consumer can dispute the debt by mail within 30 days after being contacted. However, if the collector sends the consumer proof of the debt, such as a bill, the collector can begin collection action again.

If the debt collector breaks the law, the consumer has the right to sue in a State or Federal court within one year from the date of the violation, and can collect up to \$1,000. In a successful action, the consumer also may be awarded payment for the costs of the action, together with a reasonable attorney's fee, as determined by the court.

If a consumer has a complaint or question about debt collection practices by an FDIC-insured, State-chartered bank that is not a member of the Federal Reserve System, write to the Federal Deposit Insurance Corporation, Office of Consumer & Compliance Programs, 550 17th Street, N.W., Washington, D.C. 20429.

If the complaint is not about a bank or other financial institution, direct it to the Federal Trade Commission, Consumer Affairs Division, Sixth and Pennsylvania Avenue, N.W., Washington, D.C. 20003.



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