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Credit—resolving credit problems

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Quick Facts

Consumers should know their credit rights in the credit protection laws.

Try to work out credit problems with a creditor first.

If you are unsuccessful in your attempts to resolve credit problems with a creditor, contact the state or federal agencies that have jurisdiction over the lender.

Another recourse a consumers has is to go to small claims or district court.

It is important to notify state and federal agencies about violations of credit laws to resolve the problem and to eliminate the problem for other people.

To avoid problems, know your credit rights in the credit protection laws and speak up if your rights are denied. If you discover you have a credit problem, try to work it out with the creditor first. If you are unsuccessful in your attempts to resolve the problem, contact the state or federal agency with jurisdiction over the lender. Sometimes a federal agency can successfully mediate a complaint. Other times you may go to small claims court for problems of less than \$3,500 and district court for larger problems.

Individual and Class Action Complaints

It is important to notify state and federal agencies about violations of credit laws so they can gather enough complaints to warrant an investigation. Some agencies, such as the Federal Trade Commission (FTC), seldom handle individual complaints but will take action against a company if they receive a large number of complaints about

unfair credit practices. The FTC should be notified to help them build a class-action case.

A number of state and federal agencies handle individual complaints and a letter to them often will settle an unresolved problem. They will answer, refer and in some cases, mediate individual complaints. Some of these agencies include: the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Colorado Uniform Consumer Credit Code Office.

Fitting Complaints to Regulatory Agencies

Because there are so many overlaps in credit law enforcement, sort your complaint by the type of lending institution you deal with, not by the type of credit that you use. For example, if you have problems with a bank, either with your bank credit card or a consumer loan, contact the agency that regulates the bank. It could be the Comptroller of the Currency, the Federal Reserve System or the Federal Deposit Insurance Corporation, depending on the bank's charter.

This information provided by:

¹ Judy McKenna, Colorado State University Cooperative Extension family resource management specialist; design, merchandising and consumer sciences (revised 9/93). Some recommendations change regularly, please contact your Colorado State University Cooperative Extension county office for current recommendations.
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Refer complaints about retail businesses, for both revolving charge accounts and credit loan agreements, to the Federal Trade Commission.

Lending Institutions

The maze of federal agencies that regulate credit laws may seem cumbersome but all it takes is a question to the lender to determine the charter for banks, savings and loans and credit unions. Other credit problems are governed by the Federal Trade Commission or the Colorado Attorney General's Office.

Nationally-chartered banks. The Comptroller of the Currency regulates nationally chartered banks ("National" or "NA" appears in the bank's name). For help with a problem call the Administrator of National Banks in Denver 293-1850 or write to the Compliance Policy Department of the Treasury, 250 E Street S.W., Washington, DC 20219.

State-chartered banks. The Federal Reserve System regulates all state chartered banks that belong to the Federal Reserve System. For complaints contact the Federal Reserve System, Office of Consumer Affairs, 1050 16th Street, Denver, CO 80202. In Denver call, 572-2300 or from other parts of Colorado, call 800- 333-2919.

State-chartered, non-member banks. Some state-chartered banks are not members of the Federal Reserve System. The Colorado Division of Banking oversees state-chartered banks and industrial banks. Their address is 1560 Broadway, Suite 1175, Denver, CO 80202, telephone: 894-7575. The Federal Deposit Insurance Corporation is the federal regulator of state-chartered banks. The regional office that covers Colorado is the Dallas Regional Office, 1910 Pacific Avenue, Suite 1900, Dallas, Texas 75201. The telephone number is 214-220-3342.

Federally-chartered savings and loan associations. The Office of Thrift Supervision (formerly the Federal Home Loan Bank Board) regulates federally chartered savings and loan associations and savings banks. The address is Office of Thrift Supervision, Consumer Affairs, 1700 G Street, N.W., Washington, D.C. 20552. Their toll-free number is 800-842-6929.

Federally-chartered credit unions. Federally-chartered credit unions are regulated by the National Credit Union Administration, 1776 G Street, N.W., Washington, DC 20456. Telephone: 202-682-9640.

State-chartered savings and loan associations, credit unions and industrial banks. Savings and loan associations and credit unions that are state, not federally, chartered and industrial banks are regulated by the Colorado Division of Financial Services, 1560 Broadway, Suite 1520, Denver, CO 80202. The phone number is: 894-2336.

Retailers, dealers, consumer finance companies: The Federal Trade Commission advises consumers with problems regarding retailers, dealers, consumer finance companies and all other creditors except banks and savings institutions.

In Colorado contact the Federal Trade Commission Regional Office, 1405 Curtis, Denver, CO 80202. Telephone: 844-2271.

Violations of the Colorado UCCC
Problems related to the Colorado Uniform Consumer Credit Code (UCCC) fall under the jurisdiction of the Colorado Attorney General's Office. Send complaints about home solicitation sales, homes used as credit rates should be sent to: Colorado Attorney General, Uniform Consumer Credit Code, 110 16th Street, Denver, CO 80202. Telephone: 620-4600.

Complaint and Follow-Through

The following complaint form is an example that can be used for the appropriate agency. Before writing an agency, always try first to resolve the problem with the lending institution. If you decide to file a complaint, explain the problem briefly, describe the steps you have taken to resolve it and state what you would like to have happen.

There are two reasons for sending complaints about violations of credit rights. The first reason is to resolve the individual problem. The second reason is to eliminate the problem for other people. It might seem too much trouble to write a letter, but just think how much better the marketplace would respond if we would be responsible complainers.

Reasonable complaining is insurance against future problems.

Complaint Form	
Name _____	Name of Lender _____
Address _____	Address _____
City, State, Zip _____	City, State, Zip _____
Daytime telephone _____ (Include area code)	Account number (if applicable) _____
The complaint involves the following:	
Revolving credit _____	Credit sale _____
Consumer Loan _____	
Other: Please specify _____	
I have attempted to resolve this complaint _____ with the lender: No _____ Yes _____	
If "No," an attempt should be made to contact the lender and resolve the complaint.	
If "Yes," name of person or department contacted is: _____	
	Date _____
My complaint is as follows: (Briefly describe the events in the order in which they happened, including specific dates and the actions to which you object. Enclose copies of any pertinent information or correspondence that may be helpful. Do not send your only copy of any document.)	

Date _____	_____
Signatures _____	_____