

Table of Contents

PART A. INTRODUCTORY

CHAPTER 1. OVERVIEW

- § 1:1 Overview of consumer credit
- § 1:2 Who this book will help and why
- § 1:3 Organization of the book
- § 1:4 What is not covered
- Appendix 1A. COVID 19 Pandemic and the Consumer Credit Market
- Appendix 1B. Background on the Regulatory Oversight of the Consumer Credit Market

PART B. OBTAINING CREDIT

CHAPTER 2. CREDIT REPORTS

- § 2:1 Credit Reports and Credit Scores: What They Are and Why They Matter
- § 2:2 Overseeing the Credit Reporting Industry: The Fair Credit Reporting Act
- § 2:3 Limits to the Fair Credit Reporting Act
- § 2:4 Fair Credit Reporting Act: Consumer Reports
- § 2:5 Fair Credit Reporting Act: Prescreened Lists
- § 2:6 Fair Credit Reporting Act: Consumer Reporting Agencies
- § 2:7 Fair Credit Reporting Act: Scope of Consumer Privacy Protections
- § 2:8 Fair Credit Reporting Act: Privacy, Specific examples
- § 2:9 Fair Credit Reporting Act: Dispute Mechanism for Consumers
- § 2:10 Fair Credit Reporting Act: Adverse action and risk-based pricing notices
- § 2:11 Fair Credit Reporting Act: Disclosures to consumer
- § 2:12 Fair Credit Reporting Act: Reinvestigation by CRA and Consumer Statement

- § 2:13 Fair Credit Reporting Act: Accuracy and Reasonable Procedures by CRAs
- § 2:14 Fair Credit Reporting Act: Unreasonable Procedures by CRAs
- § 2:15 Fair Credit Reporting Act: Deletion of obsolete information
- § 2:16 Fair Credit Reporting Act: Accurate but Misleading or Irrelevant Information
- § 2:17 Fair Credit Reporting Act: Duties of furnishers of credit information

CHAPTER 2A. CREDIT REPORTS: ADDITIONAL ISSUES

- § 2A:1 Identity theft protections
 - § 2A:2 Public and private enforcement of FCRA
 - § 2A:3 Actual damages under the FCRA
 - § 2A:4 Punitive and statutory damages under the FCRA
 - § 2A:5 Attorney's fees under FCRA
 - § 2A:6 Class actions under FCRA
 - § 2A:7 First Amendment and credit reports
 - § 2A:8 State laws on credit reports—Federal preemption
 - § 2A:9 Identity theft and “Security Freeze” laws
 - § 2A:10 Credit repair organizations
 - § 2A:11 Developments prior to Credit Repair Organizations Act
 - § 2A:12 Credit Repair Organizations Act
- Appendix 2A. State Credit Reporting Statutes

CHAPTER 3. FAIR LENDING

- § 3:1 In general
- § 3:2 Lending in the Age of Emerging Technologies
- § 3:3 Implementing the Equal Credit Opportunity Act
- § 3:4 Scope of the Equal Credit Opportunity Act
- § 3:5 Prohibited categories—In general
- § 3:6 Marital status/spousal signature
- § 3:7 Sex
- § 3:8 Age
- § 3:9 Race
- § 3:10 National origin/citizenship
- § 3:11 Exercise of rights

TABLE OF CONTENTS

- § 3:12 Housing: Discrimination and redlining—In general
- § 3:13 Discrimination in housing credit
- § 3:14 Redlining
- § 3:15 Credit scoring and the effects test—In general
- § 3:16 Credit scoring
- § 3:17 Disparate impact test
- § 3:18 Disparate treatment test
- § 3:19 Reasons for adverse action—In general
- § 3:20 Completed application
- § 3:21 Adverse action
- § 3:22 Notice
- § 3:23 Business applicants
- § 3:24 Private remedies
- § 3:25 Government enforcement—FTC and CFBP
- § 3:26 State laws

Appendix 3A. State Equal Credit Opportunity Statutes

PART C. TRUTH IN LENDING DISCLOSURES

CHAPTER 4. TRUTH IN LENDING OVERVIEW

- § 4:1 In general
- § 4:2 1968 Act
- § 4:3 1980 Simplification Act and subsequent amendments
- § 4:4 Regulation Z and Federal Reserve Board and Consumer Financial Protection Bureau interpretations
- § 4:5 State law—Preemption
- § 4:6 —Exemption
- § 4:7 Treatment of TILA in this volume

CHAPTER 5. TRUTH IN LENDING SCOPE

- § 5:1 In general
- § 5:2 Credit transaction—In general
- § 5:3 —Insurance premium financing
- § 5:4 —Option contracts—Residential mortgages

- § 5:5 —Rent to own agreements
- § 5:6 —Payday loans
- § 5:7 —Cash basis contracts
- § 5:8 Consumer purpose—In general
- § 5:9 —Primary purpose: Business or personal
- § 5:10 —Rental property
- § 5:11 —Investment
- § 5:12 —Agricultural purposes
- § 5:13 Creditor—In general
- § 5:14 —Regular extension of credit
- § 5:15 —Four installment rule
- § 5:16 —Liability of assignee
- § 5:17 —Arrangers of credit
- § 5:18 Exempt transactions—In general
- § 5:19 —Public utility credit
- § 5:20 —Government agencies

CHAPTER 6. CONTENT AND FORM OF TILA DISCLOSURES

- § 6:1 In general
- § 6:2 Finance charge—In general
- § 6:3 —Buried finance charges
- § 6:4 —Required service contracts
- § 6:5 —Reaffirmations of debt
- § 6:6 —Notary fees, taxes, license, and registration fees
- § 6:7 —Broker's/attorney's fees
- § 6:8 —Late charges and over-the-limit fees
- § 6:9 Annual percentage rate (APR)
- § 6:10 Amount financed—Disclosure
- § 6:11 —Itemization
- § 6:12 Security interest—In general
- § 6:13 —Definition
- § 6:14 —Disclosure
- § 6:15 Other disclosures—In general
- § 6:16 —Creditor identity
- § 6:17 —Payment schedule
- § 6:18 —Total of payments
- § 6:19 —Demand feature
- § 6:20 —Total sale price
- § 6:21 —Prepayment penalties and rebates
- § 6:22 —Late payment charges
- § 6:23 —Security interest charges

TABLE OF CONTENTS

- § 6:24 —Contract reference
- § 6:25 —Required deposit
- § 6:26 Special disclosures for private education loans
- § 6:27 Format—In general
- § 6:28 —Clear and conspicuous
- § 6:29 —APR and finance charge
- § 6:30 —Segregation of disclosures—The “federal box”
- § 6:31 —Electronic disclosures

CHAPTER 7. TIMING AND ADVERTISING

- § 7:1 In general
- § 7:2 Timing of closed end disclosures—In general
- § 7:3 —Purchase order/retail installment contract
- § 7:4 —Copies in form consumer may keep
- § 7:5 —Commitment letter/closing
- § 7:6 —Never consummated or later revoked
- § 7:7 —Postconsummation, refinancing, and early disclosures
- § 7:8 Credit advertising—Disclosures—In general
- § 7:9 —Bait advertising
- § 7:10 —APR in closed end credit advertisements
- § 7:11 —Triggered disclosures—Closed end
- § 7:12 — —Open end
- § 7:13 —Lease advertisements
- § 7:14 —Catalogs and multipage advertisements
- § 7:15 —Home mortgage advertisements
- § 7:16 —Enforcement—In general
- § 7:17 —Private actions
- § 7:18 —State enforcement
- § 7:19 —Federal Trade Commission and the Consumer Financial Protection Bureau
- § 7:20 Oral disclosures

CHAPTER 8. OPEN END DISCLOSURES & REQUIREMENTS—CREDIT CARDS

- § 8:1 In general
- § 8:2 Scope—Open end credit defined
- § 8:3 Format
- § 8:4 Timing
- § 8:5 Changes in interest rates or other account terms
- § 8:6 Annual percentage rate

- § 8:7 Balance assessment methods and grace periods
- § 8:8 Special credit and charge card disclosures—In general
- § 8:9 —Direct mail and electronic solicitations
- § 8:10 —Telephone solicitations
- § 8:11 —“Take-one” applications
- § 8:12 —Charge cards
- § 8:13 —Enforcement
- § 8:14 —Renewals
- § 8:15 Account-opening disclosures
- § 8:16 Periodic statements
- § 8:17 —Identification of transactions
- § 8:18 Payment and fee issues affecting credit card customers
- § 8:19 Young consumers and credit cards
- § 8:20 Gift cards

CHAPTER 9. REAL ESTATE TILA DISCLOSURES

- § 9:1 In general
- § 9:2 Scope
- § 9:3 Timing—In general
- § 9:4 —TILA/RESPA Integrated Mortgage Disclosures—Loan Estimates and Closing Disclosures
- § 9:5 —Adjustable Rate Mortgages (ARMs)
- § 9:6 —Home equity loans
- § 9:7 Finance charge and related disclosures—In general
- § 9:8 —Seller’s and buyer’s points
- § 9:9 —Settlement charges
- § 9:10 —Itemization eliminated
- § 9:11 Interest rate and payment summary and other disclosures
- § 9:12 Assumptions—Initial disclosure
- § 9:13 —Redisclosure
- § 9:14 ARMs disclosures—In general
- § 9:15 —Annual percentage rate (APR)
- § 9:16 —Special ARMs application disclosures
- § 9:17 —Subsequent disclosures
- § 9:18 —Interest rate ceiling
- § 9:19 Home equity credit—In general

TABLE OF CONTENTS

- § 9:20 —Consumer booklet
- § 9:21 —Format and highlighted disclosures
- § 9:22 —Other home equity disclosures
- § 9:23 —Substantive limitations
- § 9:24 —Compliance
- § 9:25 —Advertising

CHAPTER 9A. REAL ESTATE—TILA SUBSTANTIVE PROVISIONS

- § 9A:1 Ability to repay and “qualified” mortgages
- § 9A:2 Loan Originators—Ban on steering and YSPs
- § 9A:3 Prepayment penalties & other prohibited clauses
- § 9A:4 Mortgage Servicing & Appraisals
- § 9A:5 High-cost mortgages—HOEPA loans—In general
- § 9A:6 —Coverage
- § 9A:7 —Disclosures
- § 9A:8 —Substantive limitations
- § 9A:9 —Remedies
- § 9A:10 Mortgage assistance relief services
- § 9A:11 Reverse mortgages
- § 9A:12 Higher-risk mortgages—Special rules
- § 9A:13 RESPA—In general
- § 9A:14 —Scope
- § 9A:15 —Good faith/loan estimates and consumer booklet
- § 9A:16 —Closing disclosures
- § 9A:17 —Enforcement
- § 9A:18 The future of TILA/RESPA Integrated Disclosure Rule

Table of Laws and Rules

Table of Cases

Index

Table of Contents

PART D. DEBT COLLECTION

CHAPTER 10. UNFAIR CONTRACT CLAUSES

- § 10:1 Unfair contract clauses—Introduction
- § 10:2 —FTC Credit Practices Rule
- § 10:3 Confession of judgment
- § 10:4 Security interest in household goods
- § 10:5 Waiver of exemption
- § 10:6 Wage assignment
- § 10:7 Cosigners
- § 10:8 Pyramiding of late charges

CHAPTER 11. CONSUMER PAYMENTS AND BILLING PROBLEMS

- § 11:1 Overview of the consumer payments industry:
bill pay and retail pay markets
- § 11:2 Billing problems—In general
- § 11:3 Unauthorized use of credit cards—Unsolicited
cards
- § 11:4 —Pre-TILA liability for unauthorized use
- § 11:5 —Liability limits under TILA
- § 11:6 —Definition of unauthorized use under TILA
- § 11:7 —Criminal fraud
- § 11:8 Unauthorized use of debit cards—In general
- § 11:9 —Liability limits under the Electronic Fund
Transfer Act
- § 11:10 Unauthorized electronic fund transfers—
Definition of unauthorized EFT
- § 11:11 —Concurrent state laws
- § 11:12 Unauthorized transfers—Transactions involving
both EFT and credit
- § 11:13 Billing errors—Credit cards—In general
- § 11:14 —Summary of Fair Credit Billing Act
procedures

- § 11:15 —Scope of FCBA
- § 11:16 —Billing error defined
- § 11:17 —Form of notice by the consumer
- § 11:18 —No adverse actions pending resolution
- § 11:19 —FTC, CFPB and state enforcement
- § 11:20 —Electronic Fund Transfers—In general
- § 11:21 —Time limits, provisional re-crediting and damages
- § 11:22 —The investigation and follow-up
- § 11:23 —Disclosures
- § 11:24 —Definition of error
- § 11:25 —Relationship to Fair Credit Billing Act
- § 11:26 —Relationship to state laws
- § 11:27 Credit CARD Act
- § 11:28 CARD Act—Overdraft protection services for debit card and ATM transactions
- § 11:29 —Requirements for over-the-limit credit card transactions
- § 11:30 —Bill-paying protections
- § 11:31 Stored-Value Cards or Prepaid Accounts
- § 11:32 International Remittances

CHAPTER 12. DEBT COLLECTION PRACTICES

- § 12:1 Debt collection practices: Overview
- § 12:2 Common-law actions—In general
- § 12:3 Intentional infliction of emotional distress
- § 12:4 Invasion of privacy
- § 12:5 Intentional interference with employment relationship
- § 12:6 Scope of the Fair Debt Collection Practices Act (FDCPA)
- § 12:7 —Debt collector defined
- § 12:8 — —Attorneys as debt collectors
- § 12:9 — —Other types of debt collectors
- § 12:10 — —Creditors and debt buyers exempt
- § 12:11 — —Other exemptions—Government entities and foreclosures
- § 12:12 —Definition of debt
- § 12:13 Validation and verification of debt under the FDCPA
- § 12:14 —Filing of complaint

TABLE OF CONTENTS

§ 12:15	—Format
§ 12:16	—Overshadowing
§ 12:17	—Confusing communications or actions and the least sophisticated consumer standard
§ 12:18	—Verification
§ 12:19	Restrictions on communications under the FDCPA
§ 12:20	—Communications with the consumer
§ 12:21	—Communications with third parties
§ 12:22	Harassment under the FDCPA
§ 12:23	False or misleading representations under the FDCPA—Least sophisticated consumer standard
§ 12:24	—False threat of action that cannot be legally taken
§ 12:25	—Other unlawful or false threats
§ 12:26	—Time-barred debts
§ 12:27	—Misrepresenting status of debt
§ 12:28	—Collector’s identity/Attorney involvement/Required “debt collection” disclosure
§ 12:29	—False threat of arrest
§ 12:30	—Flat rating
§ 12:31	Unfair or unconscionable practices under the FDCPA
§ 12:32	FDCPA private cause of action and defenses
§ 12:33	—Class actions
§ 12:34	—Constitutional standing requirement under Article III
§ 12:35	—Statutory damages
§ 12:36	—Actual damages
§ 12:37	—Bona fide error defense
§ 12:38	—Attorney’s fees
§ 12:39	—Statute of limitations
§ 12:40	Government oversight—Introduction
§ 12:41	—The FTC
§ 12:42	—The CFPB
§ 12:43	State debt collection statutes
Appendix 12A.	State Debt Collection Statutes [as of July 2017]
Appendix 12B.	State Debt Collection Statutes—Provisions

PART E. CONSUMER ENFORCEMENT

CHAPTER 13. HOLDER IN DUE COURSE

- § 13:1 Introduction
- § 13:2 Traditional holder in due course doctrine—The classic rule
- § 13:3 —Waiver of defense clauses
- § 13:4 Judicial erosion—In general
- § 13:5 —Close connectedness
- § 13:6 —Bad faith, or “They Should Have Known”
- § 13:7 —The attack on waiver of defense clauses
- § 13:8 Statutory reform in the states—Negotiable instruments and waiver of defense clauses
- § 13:9 —The special case of direct loans
- § 13:10 The FTC rule—Rationale
- § 13:11 —The rule provisions
- § 13:12 —Direct or “purchase-money” loans
- § 13:13 Effects of the FTC rule and relationship to state law—In general
- § 13:14 —State laws not preempted
- § 13:15 —Limits on creditor liability and types of claims covered
- § 13:16 —Effect of FTC clause in nonconsumer contracts
- § 13:17 —Special cases—Truth in lending
- § 13:18 — —Guaranteed student loans
- § 13:19 —Gaps in FTC enforcement or coverage
- § 13:20 Asserting claims against credit card issuers—In general
- § 13:21 —State law
- § 13:22 —Fair Credit Billing Act

Appendix 13A. Holder In Due Course State Statutes

CHAPTER 14. RIGHT TO CANCEL

- § 14:1 In general
- § 14:2 FTC cooling-off rule—In general
- § 14:3 —Scope
- § 14:4 — —Telemarketing rules exemption
- § 14:5 —Mechanics
- § 14:6 —Enforcement
- § 14:7 —Relationship to state law

TABLE OF CONTENTS

§ 14:8	State cooling-off statutes—Early history
§ 14:9	—Scope—Consumer goods and services
§ 14:10	— —Cash or credit
§ 14:11	— —Location of sale
§ 14:12	— —Telephone sales
§ 14:13	— —Buyer initiated sales
§ 14:14	— —Other exemptions
§ 14:15	—Mechanics
§ 14:16	—Enforcement
§ 14:17	Truth in Lending’s right of rescission—In general
§ 14:18	—Scope
§ 14:19	—Disclosures and the timing of rescission
§ 14:20	— —Notice of the right to rescind
§ 14:21	— —Other material disclosures
§ 14:22	— —Other timing rules
§ 14:23	Delayed performance and consumer’s waiver— Ban on performance during three-day period
§ 14:24	—Consumer waiver
§ 14:25	—Procedures for rescission—The normal process
§ 14:26	— —Creditor forfeiture
§ 14:27	— —Consumer tender a prerequisite to rescission?
§ 14:28	— —Tender of reasonable value of property
§ 14:29	— —Creditor setoff of money due from consumer
§ 14:30	—Damages and class actions
§ 14:31	—Relationship to state laws and FTC rule
§ 14:32	—Conclusion

Appendix 14A. Door-to-Door Sales State Statutes

CHAPTER 15. TRUTH IN LENDING ENFORCEMENT

§ 15:1	In general
§ 15:2	Federal enforcement
§ 15:3	Civil liability: damages—In general
§ 15:4	—Statutory damages
§ 15:5	—Actual damages
§ 15:6	Civil liability: creditor defenses—In general
§ 15:7	—Bona fide error
§ 15:8	—Good faith reliance on board or bureau interpretation
§ 15:9	—Sixty-day error notice and adjustment

CONSUMER CREDIT AND THE LAW

- § 15:10 —Error tolerances
- § 15:11 Statute of limitations—In general
- § 15:12 —Defensive TIL claims
- § 15:13 Attorney's fees
- § 15:14 Class actions
- § 15:15 Arbitration of TILA claims

Table of Laws and Rules

Table of Cases

Index