

### Major Federal Consumer Protection Laws

The major federal laws that govern financial institutions and protect individuals in their financial dealings are:

- **Truth in Lending Act** requires a lender to tell you how much it will cost to borrow money so that you can compare the terms of credit offered by different lenders.
- **Fair Credit and Charge Card Disclosure Act** requires a lender offering you a credit card to tell you the annual percentage rate (APR), the amount of any annual fee, and whether you have a grace period to pay your bill before a finance charge is added.
- **Fair Credit Reporting Act** controls how your credit history (how you pay your bills) is kept by credit bureaus and used by lenders.
- **Equal Credit Opportunity Act** prohibits lenders from discriminating against you in a credit transaction on the basis of certain personal characteristics such as race, color, religion, national origin, sex, marital status, age, because you receive public assistance or because you've exercised your rights under the Consumer Credit Protection Act.
- **Fair Debt Collection Practices Act** lays out the rules a debt collector must follow when trying to collect a debt from a consumer.
- **Home Equity Loan Consumer Protection Act** requires a lender to give you complete information about the home equity loan plan it offers—first when you receive an application and again before you first use the line of credit.
- **The Home Ownership and Equity Protection Act** requires disclosures and imposes substantive limitations on mortgage transactions having rates or fees above a certain percentage or amount. It also requires disclosures about the potential costs for reverse mortgages.
- **Fair Housing Act** prohibits lenders from discriminating against you in real estate mortgage or home improvement loans on the basis of race, color, religion, national origin, sex, familial status, or handicap.
- **Real Estate Settlement Procedures Act** states that lenders must give purchasers information about the costs required to close a mortgage loan. It also protects consumers from unnecessarily high real estate settlement costs by prohibiting certain business practices. This applies when you take out or refinance a loan secured by real estate such as a mortgage loan or a home equity loan.
- **Fair Credit Billing Act** requires that a lender promptly correct a mistake on your credit card bill.
- **Expedited Funds Availability Act** limits how long a bank may delay your use of the funds you deposit in an account.
- **Truth in Savings Act** requires lenders to disclose the terms of their deposit accounts in a uniform way.
- **Electronic Fund Transfer Act** limits an individual's liability if their ATM card is lost or stolen and calls for investigation and correction of errors made to your account.

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

California Department of Financial Institutions

## Tips for Financial Transactions

- **Understand your rights as a consumer.**
- **Learn where to go for assistance from financial institution regulators.**
- **Confirm that your deposits are insured.**
- **Protect your financial identity.**
- **Protect your privacy.**



DFI

[www.dfi.ca.gov](http://www.dfi.ca.gov)

A one-stop source for information on California's state chartered financial institutions

# Tips for Financial Transactions

The following information is provided by the California Department of Financial Institutions to assist you when seeking financial services from a bank, credit union, savings and loan or other financial institutions.

[www.americanshare.com](http://www.americanshare.com)

◆ **Understand your rights as a consumer.**

Before signing anything, ask the financial institution to explain any fees, terms or conditions you don't understand. There are consumer protection laws that govern financial institutions and protect individuals in their financial dealings. See the list of major federal consumer protection laws on the back page of this brochure.

◆ **Learn where to go for assistance from financial institution regulators.**

Many regulations provide consumer protection for both traditional and online financial transactions. If you have any questions or concerns, first try to get answers from your financial institution. If you're still not satisfied, contact the California Department of Financial Institutions, Consumer Information Desk, by calling 1-800-622-0620 or access the Web site at [www.dfi.ca.gov](http://www.dfi.ca.gov). You may obtain information about the institutions supervised by the Department or receive information about filing a consumer complaint.

If you have questions regarding a federally supervised financial institution or federal regulations, the following agencies may be of assistance:

**Federal Deposit Insurance Corporation** - provides insurance of accounts for banks and savings and loan associations. 877-ASK-FDIC (877-275-3342) or (415) 546-0160.

**Federal Reserve Bank of San Francisco** - supervises member banks, both state and national, and bank holding companies. 800-227-4133 or (415) 974-2967.

**Office of the Comptroller of the Currency** - supervises national banks and federal branches of foreign banks. 1-800-613-6743 or (415) 545-5976.

**Office of Thrift Supervision** - supervises federal savings and loan associations. 1-800-842-6929.

**National Credit Union Administration** - supervises federal credit unions. 1-800-755-5999 or (925) 363-6200.

◆ **Confirm that your deposits are insured.**

To verify a bank's insurance status, look for the familiar FDIC logo or the words "Member FDIC" or "FDIC Insured." You can search for an institution by going to the FDIC's home page at [www.fdic.gov](http://www.fdic.gov) and selecting "Is My Bank Insured?" If your bank does not appear on this list, contact the FDIC Division of Compliance and Consumer Affairs at 800-934-3342. Credit Union deposits are insured by either the National Credit Union Administration (NCUA) at 800-827-9650 or by American Share Insurance (ASI) at 1-800-521-6342.

◆ **Use a licensed transmitter when sending money to foreign countries.**

Consumers may send money to foreign countries through banks, savings and loans and credit unions. You can also use a licensed money transmitter or agent to send money abroad. Find out if the money transmitter you are planning to use is licensed by checking the Department of Financial Institutions Web site at [www.dfi.ca.gov/consumer\\_services](http://www.dfi.ca.gov/consumer_services). In addition, you can fill out a complaint form or report a non-licensed transmitter on the Department's Web site. Money transmitters must supply the consumer with a receipt.

◆ **Keep your personal information private and secure.**

Protect your account information. Never provide personal or credit card information over the phone, unless you initiated the call and know the business to be reputable. Tear up or shred pre-approved credit offers, receipts and other personal information that link your name to account numbers. Don't write your personal identification number (PIN) on your ATM or debit card. Don't write your social security number or credit card account number on a check. Don't carry your Social Security card, passport or birth certificate unless you need it that day.

You may order a copy of your credit report from the three credit reporting agencies every year to ensure all the information is correct, especially your name, address, and Social Security number. Look for indications of fraud, such as unauthorized applications, unfamiliar credit accounts, credit inquiries and defaults and delinquencies that you did not cause. Bureau reports cost around \$8 each. But, if you've been turned down for credit, you are eligible for a free report.

To order credit bureau reports, call:

- Trans Union Credit Services 800-888-4213
- Equifax Credit Services 800-685-1111
- Experian Credit Services 888-397-3742

◆ **Protect your privacy.**

If any institution shares information with outside companies, it must send its customers a disclosure notice explaining how the institution manages its information and provide customers with the choice to "opt out." You can opt out at any time. Additional opt-out tips: Although many consumers appreciate the convenience and customer service of general direct mail, some prefer not to receive offers of pre-approved financing or credit. If you do not wish to receive offers of pre-approved financing or credit from other institutions, you can opt out of receiving such offers by calling 888-5-OPT-OUT (888-567-8688).