

## ADDITIONAL CONSUMER PROTECTION LAWS

### Fair Credit Billing Act

This law allows consumers to dispute billing errors by sending written notice to their credit card issuer, if goods were damaged, not delivered, or incorrectly billed. To use this, consumers must:

- Send their dispute in writing, within 60 days, to the “billing inquiries” address, not the payment address
- The dollar amount must exceed \$50 and purchase must be in home state or within 100 miles of their home
- Consumers must first make good faith attempt to resolve their dispute directly with the merchant

### Fair Debt Collection Practices Act

This law regulates *third-party* debt collectors and prohibits “abusive and deceptive” practices:

- Collectors must only call within the hours of 8a-9p local time and must identify themselves
- Collectors must not use profane language nor communicate the nature of the debts to third parties
- Collectors must not list false information on a credit report nor threaten harm or legal actions not applicable

In addition, if the consumer requests the following by mail, the collector must comply:

- Collectors must provide the name and address of the original creditor within 30 days of written request
- Collectors must provide verification of the debt within 30 days of written request and in the absence of verification, must cease all collection efforts
- Collectors must cease contact in any way (other than lawsuit) after receiving written request by consumer to stop all communication (consumer can also request limits to contact, such as no calls or no calls at work)

### Employee Retirement Income Security Act and Pension Protection Act

ERISA regulates employer retirement plans like pension and 401k (defined contribution) plans

- Employers must provide for vesting of employer contributions after a specified number of years
- Participants must have access to plan summaries and to view full reported information to US Dept of Labor
- Employers have a fiduciary responsibility to the plan and its participants and must adequately fund the plan
- The Pension Benefit Guaranty Corporation provides coverage in the event of an underfunded or failed plan

The Pension Protection Act added protections for participants in employer retirement plans:

- Requires greater funding by the employer to insure the solvency of their retirement plans
- Allows employers to also offer Roth 401k and Roth 403b plans where contributions are not tax-deductible
- Gives employees the right to sell any company stock contributed by employer after three years of service

### Credit Card Accountability, Responsibility, and Disclosure Act

CARD Act regulates credit card practices:

- Card issuers can no longer use “universal default” to raise interest rates when you are late on other cards
- Card issuers cannot raise rates on existing balances (unless late 60 days or an expiring “teaser” rate)
- Monthly statements must show the cost and time added if consumers only paid the minimum balance due
- Any payments made over the minimum must be applied to the balances with the highest interest rates first
- Card issuers cannot charge over-limit fees unless consumers agree to opt-in for this overlimit option
- Applicants under age 21 must have adult co-signer or show proof of income before approval
- Cardholders given a penalty rate for late payment can reclaim the lower rate if pay on time 6 months in row

### FTC Cooling-off Rule

This law provides protection when you buy goods or services in your home, over the telephone, or at sales events held in public venues (not sales at normal businesses like store, car dealership)

- For any sale over \$25, seller must give you contract stating you have three business days to cancel the sale
- Cancellation must be in writing, postmarked by third business day; (keep a copy and send certified mail)