



Managing Credit

Worksheet B—Know Your Credit Rights

A number of laws have been passed by the federal government to protect the rights of people who borrow. Among these are:

- The Truth in Lending Act of 1968 requires lending institutions to calculate interest they charge in the same way and report it as the annual percentage rate (APR).
- The Equal Credit Opportunity Act of 1975 made it illegal to refuse credit based on a person's race, color, religion, national origin, gender, marital status, or age.
- The Fair Credit Reporting Act of 1971 and the Consumer Credit Reporting Act of 1996 allow individuals access to their credit histories and the opportunity to have mistakes corrected or to add explanatory notes to these records.
- The Fair Credit Billing Act, which is part of the Truth in Lending Act, gives consumers 60 days to correct credit-billing mistakes.
- The Fair Debt Collections Practices Act of 1977 sets rules for how collection agencies must treat people who are in debt.

Directions: Identify the act that would protect each of the consumers described below.

1. Nancy was refused credit because she was recently divorced and never had credit in her own name. She would be protected by the
2. Vera got sick and could not pay her bills on time. She was called repeatedly by collection agencies at 2:00 A.M. in the morning. She would be protected by the
3. Ken could not get banks to tell him the interest rate he would be charged if he took out a home mortgage. He would be protected by the
4. Tony was refused credit when he applied for a credit card but the bank would not tell him why they wouldn't let him have the card. He would be protected by the
5. Rita found a charge for \$47.99 on her credit-card statement for a purchase she did not make. The bank said she had to pay it anyway. She would be protected by the