

**Assemblyman
Alfred C. Graf**

Dear Friend,

This brochure outlines important protections on credit card use, as well as steps you can take to protect your credit and maintain a healthy credit history.

Choosing the right credit card, maintaining a good credit rating and understanding your rights as a credit consumer are all important to your overall financial well-being.

Call the numbers listed in this brochure or contact my office on this matter or any other concerns you may have.

Sincerely,



Alfred C. Graf
Member of Assembly

District Office:
991 Main Street, Suite 202
Holbrook, NY 11741
631-585-0230

Albany Office:
Room 433, LOB
Albany, NY 12248
518-455-5937

Email:
grafa@assembly.state.ny.us

To Learn More...

NYS Department of Financial Services
877-226-5697
www.dfs.ny.gov

If you are having trouble managing your credit:

National Foundation for Credit Counseling
800-388-2227
www.nfcc.org

To order your free annual credit report(s), call:

Annual Credit Report Request Service*
877-322-8228
www.annualcreditreport.com

To order additional credit reports, contact any of the following credit bureaus:

Experian
888-397-3742

Equifax Services
800-685-1111

TransUnion
800-680-7289

***Annual Credit Report Request Service is the only authorized source under federal law.**



Assemblyman
Alfred C. Graf

The Facts About Credit



Important consumer protections for credit card use

Compliments of
Assemblyman
Alfred C. Graf
www.assembly.state.ny.us

New credit protections, credit questions and answers

New protections under the Credit C.A.R.D. Act of 2009

Effective February 22, 2010, the act bans or restricts many unfair credit card industry practices, such as double-cycle billing, universal default and retroactive interest rate hikes. The most significant reforms include:

- limits on interest rate hikes during the first year
- limits on retroactive interest rate hikes
- limits on “penalty” interest rate hikes
- enhanced notice of change in terms
- restrictions on over-the-limit fees
- requiring bills to be sent 21 days in advance
- requiring minimum payment pay-off timeline and cost disclosure on bills
- limits on fees for subprime credit cards

The act also protects young consumers by prohibiting credit card marketing on campuses, eliminating freebies, and prohibiting pre-approved offers to anyone younger than 21. For more information, visit www.dos.ny.gov for the NYS Department of State’s Division of Consumer Protection or call 800-697-1220/518-474-8583.

What is a credit report?

A credit report is a snapshot of your financial history. Creditors use it to determine your ability to pay your debts.

Everyone is entitled to a free credit report from each of the three nationwide consumer credit reporting companies, Experian, Equifax and TransUnion, every 12 months.

Take advantage of this offer to monitor your credit accounts for any unusual activity by calling toll-free 877-322-8228 or click on the website, www.annualcreditreport.com for your free credit report(s).

This is the only website authorized by the federal government. Beware of similar sounding websites that may charge fees.

At this site, you can order a report from all three companies at once or at separate times.

How can I correct an inaccurate report?

- You should notify the credit bureau and the information provider (the person, company or organization that provided the inaccurate information to the credit bureau) in writing about errors that are in your credit report.
- Provide as much information as you can about the mistakes in your report.
- The credit bureau must reinvestigate your claims at no charge.
- The credit bureau must correct any information it cannot confirm.
- The credit bureau must send corrected copies to anyone who received an incorrect version in the past six months. You can have a corrected copy sent to anyone who received an incorrect version during the past two years for employment purposes.

How can I repair bad credit?

First, ignore claims like these:

- “Credit problems? No problem!”
- “Erase bad credit fast!”
- “100 percent guarantee you’ll get credit!”

In fact, you can do everything so-called “credit repair” companies can do – without paying \$50 to \$1,000. Unfortunately, there are no quick fixes for a poor credit history, because:

- Credit bureaus can legally report accurate negative information for seven years (10 years if you’ve claimed bankruptcy).
- Accurate items within the reporting period cannot be erased by credit repair companies.
- Only time can mend a poor credit history – even if credit problems were related to an illness or unemployment.
- Information can only be changed on your credit report if items are wrong or beyond the reporting period.

The Equal Credit Opportunity Act

The Equal Credit Opportunity Act ensures all consumers are given an equal chance to receive credit. It is illegal for creditors to discriminate against applicants on the basis of sex, marital status, race, national origin, religion, age or because they receive public assistance.

Under the law, a creditor may not ask for information about your spouse unless the information is directly involved in the credit check. Nor can they ask about plans to have or raise children or if you receive alimony, child support or separate maintenance payments.

When making a decision about granting credit, a creditor cannot consider whether you have a telephone listing. Creditors are not allowed to consider the race of people who live in the neighborhood where you want to buy or improve a house with the borrowed money. Creditors can consider your age if you’re under 18 or nearing retirement, when your income may be reduced.

Shopping for a credit card

- Determine your needs
- Compare interest rates
- Avoid credit card cash advances, which usually carry much higher interest rates
- Check out grace periods
- Determine how the balance is figured
- Avoid gimmicks, such as purchase protection insurance and hotel discounts
- Be wary of credit card “Protection Plans” – federal law already limits consumer liability for unauthorized use of your card

The state Department of Financial Services links to credit card and bank fee surveys when you log on to www.dfs.ny.gov, and click on “Consumers,” then “Banking, Saving & Sending Money” and scroll to the bottom of the page.

Protection for credit buyers

In order to prevent credit card fraud, you should always:

- Sign your new card
- Keep your credit cards separate from your wallet
- Destroy any paper containing your entire credit card number
- Report any questionable charges promptly and in writing to the card issuer
- Never give your card number over the phone unless you know the company or initiated the call

You should know...

- Merchants are prohibited from writing credit card numbers on checks.
- Merchants cannot require personal information, such as your address and telephone number, on your credit card receipts.
- Credit card applications must state their terms.
- Your liability is limited to \$50 when your card is stolen or used without your permission and you report it.
- State law protects consumers from unknown or unauthorized credit card use.
- State law requires public and private organizations to notify consumers when the security of their private information has been breached.
- You have 60 days to send written notification of a credit card error to the issuer.