

## IN CASE OF ERRORS OR INQUIRIES ABOUT YOUR STATEMENT OF OPEN-END LOAN ACCOUNT

The Federal Truth in Lending Act requires prompt correction of mistakes on your statement of account.

1. If you want to preserve the rights under the Act, here's what to do if you think your statement of account is wrong or if you need more information about an item:

a. Do not write on the statement of account. On separate sheet of paper (you may telephone your inquiry but doing so will not preserve your rights under law) write the following:

I. Your name and account number.

II. A description of the error and an explanation (to the extent you can explain) why you believe it is an error. If you only need more information, explain the item you are not sure about and, if you wish, ask for evidence of the transaction such as a copy of the credit require voucher. Do not send in your copy of any document unless you have a duplicate for your records.

III. The dollar amount of the suspected error.

IV. Any other information (such as your address) which you think will help the credit union to identify you or the reason for your complaint or inquiry.

b. Send your notice of statement error to the address on your statement of account, which is listed after the words: "Send Inquires To". Mail it as soon as you can, but in any case, early enough to reach the credit union within **60 days** after the statement was mailed or otherwise delivered to you. If you have authorized your credit union to automatically pay from your savings account any loan accounts with the credit union, you can stop or reverse payment of any amount you think is wrong by mailing your notice so the credit union receives it within **16 days** after the statement was sent to you. However, you do not have to meet this 16-day deadline to get the credit union to investigate your statement error claim.

2. The credit union must acknowledge all letters pointing out possible errors within **30 days** of receipt, unless the credit union is able to correct your statement during those **30 days**. Within **90 days** after receiving your letter, the credit union must either correct the error or explain why the credit union believes the statement was correct. Once the credit union has explained the statement, the credit union has no further obligation to you even though you still believe there is an error, except as provided in paragraph 5 below.

3. After the credit union has been notified, neither the credit union nor an attorney nor a collection

agency may send you collection letters or take other collection action with respect to the amount in dispute; but periodic statements may be sent to you, and the disputed amount can be applied against your credit limit. You cannot be threatened with damage to your credit rating or sued for the amount in question, nor can the disputed amount be reported to a credit bureau or to other creditors as delinquent until the credit union has answered your inquiry. **However, you remain obliged to pay the parts of your outstanding balance not in dispute.**

4. If it is determined that the credit union has made a mistake on your statement, you will not have to pay any finance charges on any disputed amount. Unless you have agreed that your statement was correct, the credit union must send you a written notification what you owe, and if it is determined that the credit union did make a mistake in the amount, you must be given the time to pay which you normally are given to pay undisputed amounts before any more finance charges or late payment charges on the disputed amount can be charged to you.

5. If the credit union's explanation does not satisfy you and you notify the credit union in writing within **10 days** after you receive its explanation that you still refuse to pay the disputed amount, the credit union may report you to the credit bureaus and other creditors and may pursue regular collection procedure. But the credit union must also report that you think you do not owe the money, and the credit union must let you know to whom such reports were made. Once the matter has been settled between you and the credit union, the credit union must notify those to whom the credit union reported you as delinquent of the subsequent resolution.

6. If the credit union does not follow these rules, the credit union is not allowed to collect the first \$50 of the disputed amount and finance charges, even if the statement turns out to be correct.

7. If you have a problem with property or services purchased with a credit card, you may have the right not to pay the remaining amount due on them. If you first try in good faith to return them or give the merchant a chance to correct the problem. There are two limitations on this right.

a. You must have bought them in your home state or if not within 100 miles of your current mailing address; and

b. The purchase price must have been more than \$50.

However, these limitations do not apply if the merchant is owned or operated by the credit union, or if the credit union mailed you the advertisement for the property or services.

