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This training will cover certain aspects of Regulation Z.

This training will not attempt to cover everything that Regulation Z covers so please continue to work with your Compliance and Legal partners to make sure all aspects of Regulation Z are addressed.
After completing this training you will be able to:

- Identify the purpose and intent of Regulation Z.
- State when payments must be credited.
- Understand the Reg Z guidelines for fees, including penalties.
The Truth in Lending Act (the “TILA”), Title 12 CFR 1023, was enacted on May 29, 1968 as Title I of the Consumer Credit Protection Act.

Regulation Z, which implements the TILA, became effective July 1, 1969.

The TILA has been amended numerous times. The most extensive amendments resulted from the Credit Card Accountability Act of 2009 (the “CARD Act”).
The TILA and Regulation Z contain a number of provisions to prevent abusive practices.

Examples include:

- Protection against inaccurate and unfair credit billing;
- Limitations on the amount and number of credit card fees.
Generally, payments must be credited as of the day of receipt.

Creditors may specify reasonable requirements for how and when payments may be made (a conforming payment).

Payments made in person must be considered received on the date the consumer makes the payment.

Accepted non-conforming payments must be credited within 5 days of receipt.

If a payment is not credited in time to avoid the imposition of a finance charge or other charges, the charges imposed must be credited to the consumer’s account during the next billing cycle.
Generally, if a creditor does not receive or accept payments by mail on the due date for payments, it may not treat a payment received the next business day as being late.

A separate fee to allow consumers to make a payment by any method may not be charged unless such payment method involves an expedited service by a customer service representative.

These rules apply to third parties that collect, receive or process payments.
Credit balances must be credited to the consumer’s account or refunded within seven days of receipt of a consumer’s request.

When a credit balance in excess of $1.00 is created on an account, a creditor must:

- Credit the amount of the credit balance to the consumer’s account;
- Refund any part of the remaining credit balance within seven days from a receipt of a written request from the consumer;
- Make a good faith effort to refund to the consumer any part of the credit balance remaining in the account for more than six months.
Generally, payments must be credited…

(select the correct answer)

a) No later than 10 days after the payment is received.

b) As the day of receipt.

c) Within 30 days of receipt.

d) The week of receipt.
Regulation Z describes what constitutes a valid billing error and sufficient notice of the error to the creditor, as well as when and how the creditor must respond.

A billing error is defined as:

- An extension of credit that is:
  - Unauthorized
  - Not sufficiently identified
  - For property or services not accepted by or delivered to the consumer; or for which the customer requests clarification.

- The creditor’s failure to credit properly a payment or other credit.

- A computational or similar error.

- The creditor’s failure to mail or deliver a written periodic statement to the consumer’s last known address at least 20 days before the end of the billing cycle.
Billing Error Notice Content Requirements:

• A written notice from a consumer received no later than 60 days after the creditor sent the statement containing the alleged error;

• The notice must indicate why the consumer believes an error exists, and the type, date and amount of the error.
Time for resolution:

- Acknowledgement of the customer’s notice must be mailed or delivered within 30 days of receipt.

- A creditor must either complete the specified resolution procedures within two complete billing cycles, but in no event later than 90 days, or forgive the entire disputed amount.
Rules while pending resolution:

Until a billing error is resolved:

• The consumer need not pay any portion of any disputed amount.
• The creditor or its agents cannot threaten to report that a disputed amount is delinquent.
• A creditor cannot accelerate any portion of the consumer’s indebtedness or restrict or close a consumer’s account solely because the consumer has disputed an amount.

A creditor or its agent is not prohibited from:

• Taking any action to collect any undisputed portion of the statement;
• Deducting any disputed amount from the consumer’s credit limit;
• Reflecting a disputed amount on a periodic statement, provided the creditor indicates that payment of any disputed amount is not required pending resolution

Regulation Z contains detailed requirements pertaining to a creditor's rights and responsibilities during and after resolution.
In this training, you learned to:

• Identify the purpose and intent of Regulation Z.
• State when payments must be credited.
• Understand the Reg Z guidelines for fees, including penalties.