

## Consumer Information

The federal **Fair Credit Reporting Act (FCRA)** requires each of the nationwide consumer reporting companies to provide you with a free copy of your credit report, at your request, once every 12 months, from [www.annualcreditreport.com](http://www.annualcreditreport.com) or to request your credit report by telephone call toll free: **1-877-322-8228**. Hearing impaired consumers can access the TDD service at 1-877-730-4104

The FCRA is enforced by the Federal Trade Commission and designed to insure accuracy and privacy of the information used in consumer credit reports. Any company that supplies information about you to credit reporting agencies and those that use consumer reports must abide by these rules.

The **Fair and Accurate Credit Transactions Act (FACTA or FACT Act)** ensures that all citizens are treated fairly when they apply for a mortgage or other form of credit. The FACT Act also entitles all consumers to a free annual credit report to verify it is accurate. Here is a summary of your rights under the Fair Credit Reporting Act

- 1) Credit reporting agencies must tell you everything in your report, including medical information, and in most cases, the sources of the information. They must also provide you with a list of everyone who has requested your report within the past year.
- 2) There's no charge for a credit report if a company takes adverse action against you, such as denying your application for credit, insurance or employment. Under the FCRA rules you must request your report within 60 days of receiving the notice of the action. The notice will give you the name, address, and phone number of the credit reporting agency.
- 3) The FCRA requires credit agencies to investigate the items you believe are wrong. If the information provider finds the disputed information to be inaccurate they are required to notify all credit agencies so they can correct this information in your file. After the investigation is complete the agency must give you the written results and a free copy of your report if the dispute results in a change.

## Consumer Protection Laws

In Texas, the majority of consumer transactions are governed by the **Deceptive Trade Practices-Consumer Protection Act**. There are also a variety of additional state and federal laws protecting consumers from unscrupulous business practices in specific transactions.

### Lemon Law

In addition to any dealer or manufacturer warranty, the Texas **Motor Vehicle Commission Code**, also known as the "Lemon Law," provides new automobile buyers protection from obviously defective new automobiles. The law provides that after reasonable attempts to repair a defect have been unsuccessful, the consumer may notify the manufacturer and seek assistance from the Texas **Motor Vehicle Commission**. Direct general inquiries to: (512) 936- 7600 or via email to [info@occc.state.tx.us](mailto:info@occc.state.tx.us), toll-free Consumer Helpline: (800) 538-1579 or write to:

Office of Consumer Credit Commissioner (OCCC)  
2601 N. Lamar Blvd.  
Austin, Texas 78705.

## **Vehicle Repossession**

When buying a new or used vehicle on credit, a buyer should remember that the creditor retains significant rights over the vehicle if the buyer does not abide by the loan agreement. If a consumer defaults on a loan, the creditor has legal authority to enter the consumer's property and seize the vehicle at any time and without prior notice to or consent of the consumer, even in the middle of the night, so long as it is done peaceably. After repossession, the creditor may keep the vehicle as compensation for the unpaid debt or resell it. In either case, the creditor must inform the consumer.

The consumer has the right to demand that the vehicle be sold and that any money received from the sale beyond the amount of the debt be returned to him or her. If the vehicle is to be sold at a public auction, the consumer must be notified of the date in advance (in cases of a private sale, the consumer is notified after the sale). However the vehicle is sold, the sale must be conducted in a "commercially reasonable manner" and the price must approximate the vehicle's fair market value. It is especially important for the consumer to keep loan documents in a safe place, and to get in writing any agreement that allows for a change in the terms of payment.

## **Telemarketing Fraud**

The best way for a consumer to protect himself or herself is to be able to identify fraudulent telemarketers before becoming a victim. A telemarketer may be a con artist if:

- The telemarketer uses high-pressure tactics
- The offer sounds too good to be true
- The consumer must act "now"--or the offer will no longer be good
- The telemarketer is unwilling to provide references or written material to back up his or her claims

The telemarketer asks for a credit card or checking account number for any reason other than to make a purchase (i.e. for "verification" purposes, to pay shipping and handling, redemption fees, gift taxes, etc, on a purportedly "free" gift or prize)

Before doing business with anyone calling you on the phone, check with the Texas Attorney General's Consumer Protection office or the local Better Business Bureau to see if any complaints have been filed against the company; and ask what recourse is available should the product be unsatisfactory. If necessary, a consumer should simply hang up the phone if he or she suspects the caller of fraud.

Under Texas law a telemarketer may not call consumers at home before 9 a.m. or after 9 p.m. on a weekday or Saturday, or before noon or after 9 p.m. on Sundays.

**Register on the National "Do Not Call List"** by visiting [www.donotcall.gov](http://www.donotcall.gov) or by calling, toll-free: 1-888-382-1222 (TTY 1-866-290-4236). **Register for the Texas "Do Not Call List"** free via this website: <http://www.texasnocall.com/> You will still be charged if you register via the Automated 1-866-896-6225 phone line or if you mail your application form.

## **Debt Collection**

Texas has very specific guidelines regulating what debt collection agencies can and cannot do when attempting to collect unpaid debts. Most of these regulations are set forth in the

**Deceptive Trade Practices-Consumer Protection Act.** Under Texas law debt collectors cannot:

1. Falsely accuse the debtor of fraud or other crimes
2. Use or threaten to use violence or other criminal acts to collect the debt
3. Threaten arrest of the debtor, or threaten to repossess or seize property of the debtor without proper court proceedings
4. Make collect telephone calls to the debtor without disclosing the true name of the caller before the charges are accepted
5. Harass the debtor or the debtor's family with frequent communication, by calling anonymously, or making frequent or continuous calls
6. Use profane or obscene language
7. Mail any documents to the debtor that falsely appear to be from a court or other official agency
8. Misrepresent the amount of the debt or falsely claim that legal action has been taken.

The federal **Fair Debt Collection Practices Act** also governs debt collection practices, specifically regulating those collectors who work for professional debt collection agencies and attorneys hired to collect debts. While similar to the Texas law, the federal statute also provides that these **collectors cannot**:

1. Communicate with a debtor before 8 a.m. or after 9 p.m.
2. Call the debtor at work if the collector has reason to know that the debtor's employer does not permit such calls

A consumer who disputes a debt should send written notice to the debt collector detailing the nature of the dispute. The debt collector must then provide the consumer with information on how to contest the debt, and, upon request, must assist the consumer in completing the necessary forms. The debt collector must respond to a consumer's request within 30 days after receiving the written notice of the dispute, and must correct any improperly reported item.

A consumer who feels a debt collector is using improper, harassing, or fraudulent collection methods should notify the collector in writing that he or she wants to stop all further contact from the collector. The consumer should keep a copy of the letter and mail the original to the collector by certified mail. A consumer also may seek a civil injunction and damages against a collector, and/or may report violations to the Office of the Attorney General to determine if civil or criminal actions may be taken against the collector.

### **Home Solicitation**

Home solicitation, or "door-to-door" sales, are regulated under the **Texas Home Solicitation Transaction Act**, as well as the more general **Deceptive Trade Practices-Consumer Protection Act** and a variety of federal laws. Under the Texas Home Solicitation Act, a door-to-door sale is defined as a purchase of goods or services for \$25 or more (in cash or installments) that takes place at a location other than the seller's place of business.

The consumer must be alert to the practices of unscrupulous door-to-door sales representatives and should be aware of his or her rights when dealing with these salespeople. For example, a home seller is required to provide a consumer with a "notice of cancellation" form whenever a sale is made and/or a contract is signed. To cancel a sale or contract the consumer must simply sign and date the cancellation form and mail it back to the seller. To ensure a full refund, this must be done before midnight of the third business day after the sale or signing of the contract.

If the seller failed to provide the proper cancellation form as required, the consumer still can cancel the contract by sending a cancellation notice to the seller within the three-day time period. The consumer's notice of cancellation must be in writing and either delivered to the seller or the post office within the cancellation period.

If a consumer cancels a home solicitation purchase within the three-day period, within ten business days of the cancellation the seller must return to the consumer any payments made and any notes or other evidence of indebtedness. The seller then is entitled to reclaim any merchandise in the consumer's possession, and must notify the consumer within ten days of the cancellation whether he or she intends to retrieve the goods. The seller may not require the consumer to pay to return the goods. If the seller fails to ask for return of the merchandise within 20 days of cancellation, the consumer cannot be forced to return the goods. In any event, a consumer may retain purchased goods until he or she has recovered monies spent and/or any signed contract or note.

## Resources

To contact the **Texas Motor Vehicle Commission** regarding the Lemon Law, call (515) 505-5100 or write to:

Texas Motor Vehicle Commission  
P.O. Box 2293  
Austin, TX 78768-2293.

More information concerning consumer protection issues is available from the Texas Attorney General's regional Consumer Protection Division Office in Dallas:

Texas Attorney General  
Regional Consumer Protection Division  
714 Jackson Street #800  
Dallas, TX 75202  
Call: (214) 742-8944

The Attorney General's Office publishes a number of free consumer protection pamphlets, which may be ordered from any of the regional offices. Topics include: **Duties & Responsibilities of the Office of the Attorney General; Business Opportunities; Car Repair; Charitable Raffles; Credit Cards & ATM Cards; Debt Collection; Door to Door Sales; Get Satisfaction; Home Improvement; Mail Order Sales; Telemarketing Fraud; Timeshares; and Your Tenant Rights.**

A consumer with a product or service complaint first should contact the person or company who sold the item or performed the service. Complaints usually can be resolved at this level. If not, call or write the consumer complaint department at the company's headquarters. Whenever filing a complaint, remember to maintain records of any correspondence, persons spoken to, dates and times, and do not send any original documents.

Another consumer resource is the local **Better Business Bureau (BBB)**. BBBs are non-profit organizations, sponsored by local businesses, meant to promote good relations between consumers and businesses. Though BBBs have no legal authority, they may contact a business involved in a dispute and offer some form of arbitration to settle the matter. Look in the phone book for the nearest BBB.

The **Texas Secretary of State** handles complaints in a number of areas.  
Office of the Secretary of State

P.O. Box 13697  
Austin, TX 78711

Or call: (512) 463-5701.

The federal government maintains the **Consumer Product Safety Commission**, <http://www.cpsc.gov> which provides public information on consumer products. The toll-free number is (800) 638-2772. Information concerning company and brand name information can be obtained from the **Consumer Action Handbook**. Order the handbook, on the web at: <http://www.consumeraction.gov/> or write:

Consumer Information Center, Pueblo, CO 81009

The **Federal Trade Commission (FTC)** ([www.ftc.org/gov](http://www.ftc.org/gov)) deals with fraud and deceptive business practices, and has the legal authority to file lawsuits and freeze company assets. The FTC has a number of consumer protection publications available by writing to:

FTC, Public Reference Branch  
Sixth Street and Pennsylvania Avenue, NW  
Washington, D.C. 20580  
Call (202) 326-2222

Contact the local or regional office:  
Federal Trade Commission  
1999 Bryan St # 2150  
Dallas, TX 75201  
(214) 979-0213

For general information, referral services, or assistance in filing a telemarketing complaint, call the **National Fraud Information Center** at (800) 876-7060.

**To receive less commercial advertising mail ("junk mail")** register for The Direct Marketing Association's Mail Preference Service (MPS). Please note, The DMA does not provide marketers with consumer mailing lists or do consumer mailings. Rather, the Mail Preference Service is available to companies for the sole purpose of **removing** your name and address from their mailing lists. This service does not apply to mail sent to your business address, or to "resident/occupant" mail. Registration will allow you to significantly reduce the amount of unsolicited national advertising you receive at home.

**How to register for MPS** Consumers must register with MPS directly. There are two ways:

**Mail-in Option** - This option is FREE. There is no charge for registering by mail; however, registering by mail may delay your inclusion in the MPS file for at least 30 to 60 days because your data is manually added to the service. There are **two ways to mail in your registration**.

1. Postcard or Letter Mail-in Option - The consumer mails in their own personal letter or postcard that includes the consumer's name, home address and signature. Your MPS Mail-in registration (either letter or postcard) should be mailed to the following address:

Mail Preference Service Direct Marketing Association PO Box 643 Carmel, NY 10512

2. Online Mail-in Option at <http://www.dmaconsumers.org/cgi/offmailinglist>. Complete the information on the form and when you have finished entering your information, select the "Register by Mail" button. Once the "Register by Mail" button is selected, a unique tracking number will be generated. You can print out this completed form and mail it to the address listed on the form. (Please note: This address is different from the address listed above). Follow the directions on the website.

**Online Registration Option** at <http://www.dmaconsumers.org/cgi/offmailinglist> requires a

**\$5 processing fee for registering online** - By using this option, the consumer's information is electronically added to the MPS file -- this option is the quickest method to enter your information on the MPS file.

The **National Foundation for Consumer Credit** has a toll-free reference line to locate an area member office of Consumer Credit Counseling Services, non-profit groups offering advice and debt management programs for little or no charge. To locate the nearest office, call **(800) 388-2227**. The following are Consumer Credit Counseling offices operated by Greater Dallas Consumer Credit Counseling:

Building: David H. Dugan Bldg 8737 King George Dr, Suite 200 Dallas, TX 75235-2273 (214) 638-2227 (800) 249-2227 M-F 8:30am - 4:30pm

Building: Parkway Plaza I 14110 Dallas Pkwy, Suite 280 Dallas, TX 75254 (972) 387-2227 M-F 8:30am - 4:30pm  
Building: Eastern Hills Office Park 3960 Broadway Blvd, Suite 115 Garland, TX 75043 (972) 278-6602 (888) 843-2227 M-F 8:30am - 4:30pm

Building: Colinas Business Park 4322 N Belt Line Road, Suite B-207 Irving, TX 75038 (972) 255-0079 M-F 8:30am - 4:30pm

Building: Texas Bank and Trust 1800 NW Loop 281, Suite 201 Longview, TX 75604 (903) 297-2900 (800) 577-2227 M-F 8:30am - 4:30pm

Building: Edgecreek Plaza 3939 E Hwy 80, Suite 323 Mesquite, TX 75150 (972) 681-2227 M-F 8:30am - 4:30pm

One North Park

8070 Park Lane, Suite 122 Dallas, TX 75231 (214) 363-4357 M-F 8:30am - 4:30pm

Building: Chase Bank 100 N Central Expy, Suite 320 Richardson, TX 75080 (972) 437-6252 M-F 8:30am - 4:30pm  
Building: Woodgate Center 1001 E SE Loop 323, Suite 250 Tyler, TX 75701 (903) 581-6691 (800) 396-2227 M-F 8:30am - 4:30pm

