

Federal Legislation That Impacts Small Dollar Loans

- **The Truth in Lending Act (TILA), Regulation Z:** Lenders are required to disclose loan terms and annual percentage rates. Regulation Z also requires lenders to provide advertising disclosures, credit payments properly, process credit balances in accordance with its requirements, and provide periodic disclosures.
- **The Equal Credit Opportunity Act (ECOA), Regulation B:** Sets forth requirements for accepting applications and providing notice of any adverse action, and prohibits discrimination against any borrower with respect to any aspect of a credit transaction:
 - On the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract);
 - Because all or part of the applicant's income derives from any public assistance program; or
 - Because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.
- **The Gramm-Leach-Bliley Act (GLBA):** Prevents financial institutions from impermissibly sharing a consumer's nonpublic personal information with third parties, and requires that financial institutions disclose their privacy policies.
- **The Electronic Fund Transfer Act (EFTA), Regulation E:** Protects consumers engaging in electronic fund transfers. Among other things, Regulation E prohibits lenders from requiring, as a condition of loan approval, a customer's authorization for loan repayment through a recurring electronic funds transfer (EFT), except in limited circumstances.
- **The Fair Credit Reporting Act (FCRA):** Requires that furnishers of information to consumer reporting agencies ensure the accuracy and integrity of the data they report. Additionally, the FCRA prohibits the use of consumer reports for impermissible purposes, and requires users of consumer reports to provide certain disclosures to consumers. The FCRA also limits certain information sharing between affiliated companies.
- **The Fair Debt Collection Practices Act (FDCPA):** Governs collection activities conducted by: third-party collection agencies collecting on behalf of lenders; lenders collecting their own debt using an assumed name, to suggest that a third person is collecting or attempting to collect such debt; and any collection agency that acquires the debt, if the collector acquired the debt when it already was in default.