



# Financial Freedom

A newsletter from Consumer Credit Counseling and Triangle Family Services

Winter 2010

## Consumer Protection – in Full Force

The excesses and abuses wrought by the banking industry have led to a new wave of regulations at the federal and state level. We now have numerous laws, acts, and provisions to protect consumers. Here are some rules that affect many of the clients we see:

- You *can* stop those annoying debt collector calls
- Credit card debt buyers *cannot* sue you after 3 years
- Credit card banks *cannot* garnish your wages to collect old debt
- You *can* protect your home in a judgment lawsuit or bankruptcy
- When you close, you can *easily* find your mortgage interest rate

Read below and follow the links for more details.

**TILA/Regulation Z** (Truth in Lending Act) – requires disclosure of interest rates for mortgages, car loans, and credit cards. The very important Truth-in-Lending statement in mortgage closing documents clearly states the interest rate, whether the mortgage is fixed or adjustable, and how many payments are to be made. The law also allows customers the right of rescission (3 day cooling off period after signing certain contracts). See [fair-debt-collection.com](http://fair-debt-collection.com) for details.

**RESPA** (Real Estate Settlement Procedures Act) – deals with mortgage disclosures, such as Good Faith Estimates and HUD-1 Settlement Statements. New provisions effective in 2010 make these statements easier to read. See [hud.gov](http://hud.gov) for all the details.

**FCRA** (Fair Credit Reporting Act) – deals with credit rights, such as obtaining a free credit report and disputing inaccurate information on that report, as well as limiting access to this confidential information. See [creditreporting.com](http://creditreporting.com) for a summary.

**FDCPA** (Fair Debt Collection Practices Act) – regulates how debt collection agencies must operate when trying to collect a debt from you. They cannot harass you or make false statements. A key provision is your right to stop phone calls by notifying them in writing that they must cease and desist. See [ftc.gov](http://ftc.gov) for a summary.

**Credit CARD Act** – regulates how credit card companies operate, with most provisions in effect as of Feb 22, 2010. Key features: Companies can no longer raise interest rates on existing balances for customers who pay on time; payments above the minimum must be applied to the highest interest rate balance first; places severe restrictions on issuing cards to those under 21. See [credit.com](http://credit.com) for details.

**Consumer Economic Protection Act (S974)** – this new North Carolina law (effective Oct 1, 2009) allows foreclosure proceedings to be delayed if the mortgage company has failed to show a good faith attempt to work out a modified loan agreement. It also prevents buyers of bad debt (like credit cards) from starting lawsuits unless they can trace the debt back to the original bank; they also cannot sue beyond the statute of limitations for the debt (usually 3 years). See [ncqa.state.nc.us](http://ncqa.state.nc.us) for the text of S974.

**Homestead Exemption (H1058)** – this new North Carolina law (effective Dec 1, 2009) increases the principal residence exemption from \$18,500 to \$35,000 per owner. This means that a couple with both names on a deed can protect up to \$70,000 of equity in their home if sued or if filing bankruptcy. See [ncqa.state.nc.us](http://ncqa.state.nc.us) for the text of H1058.

**Miscellaneous North Carolina laws** – payday lending is banned in this state; contrary to what a debt collector may say on the phone, wage garnishment is not permitted for car loans, credit card debt, and personal loans; debt settlement or credit repair companies (who typically ask for an advance 15% before they take action) are not allowed to charge upfront fees.

To file a consumer complaint or to get more information about these regulations:

**Federal Trade Commission** – deals with unfair, deceptive, or fraudulent practices in the marketplace. See [ftccomplaintassistant.gov](http://ftccomplaintassistant.gov)

**North Carolina Commissioner of Banks** - regulates banks and mortgage lenders. See [nccob.org](http://nccob.org)

**North Carolina Attorney General** – enforces NC consumer protection laws. See [ncdoj.gov](http://ncdoj.gov)

### Other Protections:

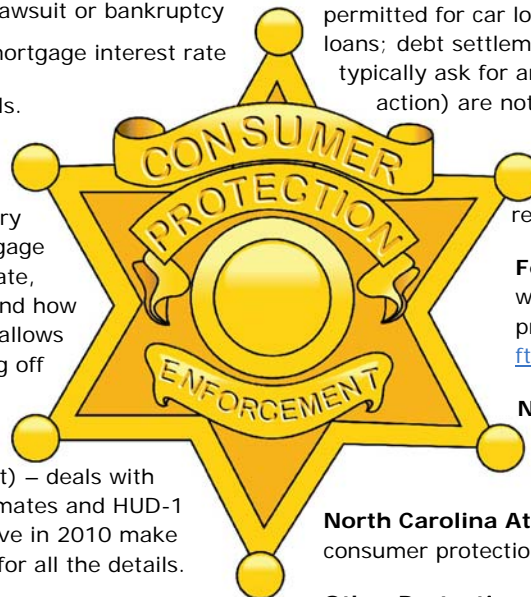
Do Not Call Registry for marketing calls: [donotcall.gov](http://donotcall.gov)

Opt Out for credit card offers: [optoutprescreen.com](http://optoutprescreen.com)

Get a free credit report: [annualcreditreport.com](http://annualcreditreport.com)

Freeze your credit online for free: [ncdoj.gov](http://ncdoj.gov)

Help with resolving IRS issues: [irs.gov/advocate](http://irs.gov/advocate)



## Who We Are



Triangle Family Services is a private United Way non-profit agency. We have served the physical, emotional, and financial needs of the greater Raleigh community since 1937. Our programs focus on family safety, financial security, and mental health. Our Consumer Credit Counseling Service is accredited, with agency and counselor certification from the National Foundation for Credit Counseling. Our agency is HUD-approved for homebuyers and homeowners, with counselors certified by The Association of Housing Counselors. This newsletter profiles some of the financial services that we offer.

## 2010 Workshops – January through March

Our agency offers a variety of education classes to help clients deal with economic changes and make value conscious financial decisions. Our public sessions are held at our Raleigh offices, with the exceptions noted. All sessions are free, but require advance registration – call 821-1770 or email [cccs@tfsnc.org](mailto:cccs@tfsnc.org). See our web site for additions or changes to the schedule.

Topic	Description	Time	Dates
<b>Home Protection Info Session</b>	Details about how to apply for a special NC Housing Finance Agency program that can pay your mortgage while you are unemployed and looking for work. Also pays if enrolled in formal retraining program. Sessions marked with [D] are held in our Durham office.	10-11:30 AM	1/7, 1/14, 1/21, 1/28 [D], 2/4, 2/18, 2/25 [D], 3/4, 3/11, 3/18, 3/25 [D]
<b>Foreclosure Prevention Info Session</b>	Detailed information about mortgage assistance available from lenders and the government. Explains how we can help you put together a loan modification application to submit to your mortgage company.	6-8 PM	1/11
<b>Bankruptcy Education</b>	Required post-filing instructional course for Chapter 7 filers. Covers budget and credit after bankruptcy. Certificate issued for \$20 fee.	6-8 PM	1/12, 2/9, 3/9
<b>Budgeting &amp; Ways to Save</b>	Why and how to create a budget, including money saving tips.	6-7:30 PM	1/26
<b>Credit In-Depth</b>	Everything you need to know about credit cards, credit reports and scores, and repairing and rebuilding your credit.	6-7:30 PM	2/23
<b>Identity Theft</b>	How to protect yourself from thieves who can steal your SSN or credit card number and wreak havoc on your life.	6-7:30 PM	3/16
<b>First Time Homebuyers</b>	Essential info for buying a home, with a full day of presentations from our counselors, mortgage lender, realtor, and home inspector. Certificate issued.	9:30-4 PM	2/20

We offer the same and additional workshops to churches, civic groups, schools, and corporations. Invite us to speak to your group during work or school time, for a lunch-and-learn, or to conduct an evening session. Here's a sample from our catalog:

<b>Unemployment Tool Kit</b>	Sound advice for the unemployed. How to deal with budget, credit, and housing issues, making your limited money stretch, and resources available to help you through the transition period.
<b>Cars: Here's the Deal</b>	How to buy, maintain, and sell your auto. Tips and examples on how to research and negotiate, compare car deals, understand leasing fundamentals, and how to stay away from the repo man.
<b>\$\$\$ Happily Ever After</b>	For engaged couples, newlyweds - anyone sharing financial obligations - get your budget/credit issues in order and your relationship will benefit.
<b>Investing Basics</b>	Learn the basics of cash, CDs, stocks, ETFs, bonds, and mutual funds for your 401k or taxable account.
<b>Financial Teen Talk</b>	For parents & teens. Covers the basics: saving, budgeting, pay stubs, buying a car, loans and credit.

This newsletter is brought to you by Triangle Family Services, a community resource for physical, emotional, and financial well being. Download previous newsletter editions from our web site. We are in Raleigh (near the State Fairgrounds) and in Durham (Lyckan Parkway). We offer financial counseling appointments each business day, with some evening slots available. Appointments can be in person or by telephone. Give us a call at 919-821-1770 or email [cccs@tfsnc.org](mailto:cccs@tfsnc.org).



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