

NEW JERSEY MOTOR VEHICLE DEALER COMPLIANCE MANUAL

Applicable to Licensed Motor Vehicle Dealers

Version Date: May 2026

Prepared for by New Jersey Motor Vehicle Dealer Association LLC for ADMS Tenants
(Educational Resource Only)

FEDERAL STATUTES AND REGULATIONS

Volume One

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Preliminary Statement / Preface

This Dealer Compliance Manual has been compiled as a practical, tenant-focused reference tool to help licensed motor vehicle dealers operating in New Jersey understand the primary state and federal laws, regulations, and requirements that govern their business operations. It organizes and summarizes the most relevant statutes and rules in clear, concise language while preserving all key legal points, remedies, prohibitions, and compliance obligations contained in the original reference materials.

Important Disclaimers

This manual is provided for educational purposes only. Auto Dealer Management Services (“ADMS”) is a commercial landlord and does not sell vehicles, provide legal advice, act as a dealer, or assume any dealer compliance responsibilities. Dealers are solely responsible for their own full compliance with all applicable MVC rules, statutes, regulations, and local laws. Laws and regulations change. Always consult the official NJ Motor Vehicle Commission (MVC) website, current statutes (N.J.S.A. and N.J.A.C.), federal sources, and your own qualified attorney for authoritative, up-to-date guidance.

Nothing in this manual creates any warranty or legal obligation on the part of ADMS.

Dealers are strongly encouraged to review the original source links provided throughout and to implement internal compliance checklists, staff training, and record-keeping systems based on these requirements.

Federal Statutes, Rules, and Regulations

1. The FTC Used Car Rule, 16 C.F.R. 455.1 - 455.7. The FTC Used Car Rule (16 C.F.R. §§ 455.1–455.7), officially the Used Motor Vehicle Trade Regulation Rule, is a federal regulation enforced by the Federal Trade Commission. It has applied nationwide since 1985 (with updates in 2016–2017) and requires used vehicle dealers to give consumers clear, written disclosures about warranty coverage before sale.

Core Requirements (Same in New Jersey as Federally)

- Buyers Guide window sticker: Dealers must prominently display a specific FTC “Buyers Guide” form on or in every used vehicle offered for sale (before any customer inspection or test drive). It cannot be removed until after the sale (except for test drives).

Key Disclosures on the Buyers Guide:

- Vehicle details (make, model, year, VIN).
- Warranty status: “As Is – No Warranty,” “Implied Warranties Only,” or a specific dealer warranty with full details (systems covered, duration, percentage of repair costs the dealer pays).
- Whether a service contract or remaining manufacturer warranty applies.
- Advice to get a pre-purchase mechanical inspection (dealer must say if allowed on- or off-lot).
- Prompt to obtain a vehicle history report and check for open safety recalls.
- Warning that spoken promises not written on the guide are unreliable.
- A copy of the completed Buyers Guide must be given to the buyer at purchase and becomes part of the sales contract.
- Dealers are prohibited from misrepresenting the vehicle’s mechanical condition or any warranty terms.

The rule covers most cars, light trucks, and vans (under certain weight limits) sold by dealers who sell more than five used vehicles per year. It does not apply to private sales, banks, or certain

other exempt parties.

How It Applies in New Jersey: New Jersey is not one of the two states (Maine and Wisconsin) exempt from the rule, so the full federal requirements apply.

Interaction with New Jersey's Used Car Lemon Law (N.J.S.A. 56:8-67 et seq.): For qualifying used cars (generally ≤ 7 model years old, $\leq 100,000$ miles, sold for $> \$3,000$, and not declared a total loss), dealers must provide a minimum written warranty on major systems (engine, transmission, drivetrain). "As Is" sales are generally not allowed for these vehicles unless the buyer knowingly waives the warranty in writing. The Buyers Guide must accurately reflect this required warranty (or "Implied Warranties Only" where appropriate).

Failure to display the Buyers Guide or comply with the FTC rule is also a violation of New Jersey's Consumer Fraud Act.

Bottom line for New Jersey buyers: Always look for the Buyers Guide in the car window before buying. It tells you exactly what warranty (if any) you're getting and protects you under both federal and state law. For official FTC forms and more details, see ftc.gov/usedcars or the New Jersey Division of Consumer Affairs.

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Title 16. Commercial Practices
Chapter I. Federal Trade Commission
Subchapter D. Trade Regulation Rules
Part 455. Used Motor Vehicle Trade Regulation Rule (Refs & Annos)

16 C.F.R. § 455.1

§ 455.1 General duties of a used vehicle dealer; definitions.

Effective: January 27, 2017

Currentness

(a) It is a deceptive act or practice for any used vehicle dealer, when that dealer sells or offers for sale a used vehicle in or affecting commerce as commerce is defined in the Federal Trade Commission Act:

- (1) To misrepresent the mechanical condition of a used vehicle;
- (2) To misrepresent the terms of any warranty offered in connection with the sale of a used vehicle; and
- (3) To represent that a used vehicle is sold with a warranty when the vehicle is sold without any warranty.

(b) It is an unfair act or practice for any used vehicle dealer, when that dealer sells or offers for sale a used vehicle in or affecting commerce as commerce is defined in the Federal Trade Commission Act:

- (1) To fail to disclose, prior to sale, that a used vehicle is sold without any warranty; and
- (2) To fail to make available, prior to sale, the terms of any written warranty offered in connection with the sale of a used vehicle.

(c) The Commission has adopted this Rule in order to prevent the unfair and deceptive acts or practices defined in paragraphs (a) and (b). It is a violation of this Rule for any used vehicle dealer to fail to comply with the requirements set forth in §§ 455.2 through 455.5 of this part. If a used vehicle dealer complies with the requirements of §§ 455.2 through 455.5 of this part, the dealer does not violate this Rule.

(d) The following definitions shall apply for purposes of this part:

- (1) Vehicle means any motorized vehicle, other than a motorcycle, with a gross vehicle weight rating (GVWR) of less than 8500 lbs., a curb weight of less than 6,000 lbs., and a frontal area of less than 46 sq. ft.

(2) Used vehicle means any vehicle driven more than the limited use necessary in moving or road testing a new vehicle prior to delivery to a consumer, but does not include any vehicle sold only for scrap or parts (title documents surrendered to the State and a salvage certificate issued).

(3) Dealer means any person or business which sells or offers for sale a used vehicle after selling or offering for sale five (5) or more used vehicles in the previous twelve months, but does not include a bank or financial institution, a business selling a used vehicle to an employee of that business, or a lessor selling a leased vehicle by or to that vehicle's lessee or to an employee of the lessee.

(4) Consumer means any person who is not a used vehicle dealer.

(5) Warranty means any undertaking in writing, in connection with the sale by a dealer of a used vehicle, to refund, repair, replace, maintain or take other action with respect to such used vehicle and provided at no extra charge beyond the price of the used vehicle.

(6) Implied warranty means an implied warranty arising under State law (as modified by the Magnuson-Moss Act) in connection with the sale by a dealer of a used vehicle.

(7) Service contract means a contract in writing for any period of time or any specific mileage to refund, repair, replace, or maintain a used vehicle and provided at an extra charge beyond the price of the used vehicle, unless offering such contract is "the business of insurance" and such business is regulated by State law.

(8) You means any dealer, or any agent or employee of a dealer, except where the term appears on the window form required by § 455.2(a).

Credits

[81 FR 81678, Nov. 18, 2016]

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

AUTHORITY: 15 U.S.C. 2309; 15 U.S.C. 41-58.

Notes of Decisions (13)

Current through May 12, 2026, 91 FR 25808. Some sections may be more current. See credits for details.

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Title 16. Commercial Practices

Chapter I. Federal Trade Commission

Subchapter D. Trade Regulation Rules

Part 455. Used Motor Vehicle Trade Regulation Rule (Refs & Annos)

16 C.F.R. § 455.2

§ 455.2 Consumer sales—window form.

Effective: January 27, 2017

Currentness

(a) General duty. Before you offer a used vehicle for sale to a consumer, you must prepare, fill in as applicable and display on that vehicle the applicable “Buyers Guide” illustrated by Figures 1–2 at the end of this part. Dealers may use remaining stocks of the version of the Buyers Guide in effect prior to the effective date of this Rule for up to one year after that effective date (i.e., until January 27, 2018). Dealers who opt to use their existing stock and choose to disclose the applicability of a non-dealer warranty, must add the following as applicable below the “Full/Limited Warranty” disclosure: “Manufacturer's Warranty still applies. The manufacturer's original warranty has not expired on the vehicle;” “Manufacturer's Used Vehicle Warranty Applies;” or “Other Used Vehicle Warranty Applies,” followed by the statement, “Ask the dealer for a copy of the warranty document and an explanation of warranty coverage, exclusions, and repair obligations.”

(1) The Buyers Guide shall be displayed prominently and conspicuously in any location on a vehicle and in such a fashion that both sides are readily readable. You may remove the form temporarily from the vehicle during any test drive, but you must return it as soon as the test drive is over.

(2) The capitalization, punctuation and wording of all items, headings, and text on the form must be exactly as required by this Rule. The entire form must be printed in 100% black ink on a white stock no smaller than 11 inches high by 7 ¼ inches wide in the type styles, sizes and format indicated. When filling out the form, follow the directions in paragraphs (b) through (f) of this section and § 455.4.

(b) Warranties—

(1) No Implied Warranty—“As Is”/No Dealer Warranty.

(i) If you offer the vehicle without any implied warranty, i.e., “as is,” mark the box appearing in Figure 1. If you offer the vehicle with implied warranties only, substitute the IMPLIED WARRANTIES ONLY disclosure specified in paragraph (b)(1)(ii) of this section, and mark the IMPLIED WARRANTIES ONLY box illustrated by Figure 2. If you first offer the vehicle “as is” or with implied warranties only but then sell it with a warranty, cross out the “As Is—No Dealer Warranty” or “Implied Warranties Only” disclosure, and fill in the warranty terms in accordance with paragraph (b)(2) of this section.

(ii) If your State law limits or prohibits “as is” sales of vehicles, that State law overrides this part and this rule does not give you the right to sell “as is.” In such States, the heading “As Is—No Dealer Warranty” and the paragraph immediately

accompanying that phrase must be deleted from the form, and the following heading and paragraph must be substituted as illustrated in the Buyers Guide in Figure 2. If you sell vehicles in States that permit “as is” sales, but you choose to offer implied warranties only, you must also use the following disclosure instead of “As Is—No Dealer Warranty” as illustrated by the Buyers Guide in Figure 2. See § 455.5 for the Spanish version of this disclosure.

IMPLIED WARRANTIES ONLY

The dealer doesn't make any promises to fix things that need repair when you buy the vehicle or afterward. But implied warranties under your state's laws may give you some rights to have the dealer take care of serious problems that were not apparent when you bought the vehicle.

(2) Full/Limited Warranty. If you offer the vehicle with a warranty, briefly describe the warranty terms in the space provided. This description must include the following warranty information:

(i) Whether the warranty offered is “Full” or “Limited.” Mark the box next to the appropriate designation. A “Full” warranty is defined by the Federal Minimum Standards for Warranty set forth in section 104 of the Magnuson–Moss Act, 15 U.S.C. 2304 (1975). The Magnuson–Moss Act does not apply to vehicles manufactured before July 4, 1975. Therefore, if you choose not to designate “Full” or “Limited” for such vehicles, cross out both designations, leaving only “Warranty.”

(ii) Which of the specific systems are covered (for example, “engine, transmission, differential”). You cannot use shorthand, such as “drive train” or “power train” for covered systems.

(iii) The duration (for example, “30 days or 1,000 miles, whichever occurs first”).

(iv) The percentage of the repair cost paid by you (for example, “The dealer will pay 100% of the labor and 100% of the parts.”)

(v) You may, but are not required to, disclose that a warranty from a source other than the dealer applies to the vehicle. If you choose to disclose the applicability of a non-dealer warranty, mark the applicable box or boxes beneath “NON-DEALER WARRANTIES FOR THIS VEHICLE” to indicate: “MANUFACTURER'S WARRANTY STILL APPLIES. The manufacturer's original warranty has not expired on some components of the vehicle,” “MANUFACTURER'S USED VEHICLE WARRANTY APPLIES,” and/or “OTHER USED VEHICLE WARRANTY APPLIES.”

If, following negotiations, you and the buyer agree to changes in the warranty coverage, mark the changes on the form, as appropriate. If you first offer the vehicle with a warranty, but then sell it without one, cross out the offered warranty and mark either the “As Is—No Dealer Warranty” box or the “Implied Warranties Only” box, as appropriate.

(3) Service contracts. If you make a service contract available on the vehicle, you must add the following heading and paragraph below the Non–Dealer Warranties Section and mark the box labeled “Service Contract,” unless offering such service contract is “the business of insurance” and such business is regulated by State law. See § 455.5 for the Spanish version of this disclosure.

SERVICE CONTRACT. A service contract on this vehicle is available for an extra charge. Ask for details about coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of your purchase of this vehicle, implied warranties under your state's laws may give you additional rights.

(c) **Name and Address.** Put the name and address of your dealership in the space provided. If you do not have a dealership, use the name and address of your place of business (for example, your service station) or your own name and home address.

(d) **Make, Model, Model Year, VIN.** Put the vehicle's make (for example, "Chevrolet"), model (for example, "Corvette"), model year, and Vehicle Identification Number (VIN) in the spaces provided. You may write the dealer stock number in the space provided or you may leave this space blank.

(e) **Complaints.** In the space provided, put the name and telephone number of the person who should be contacted if any complaints arise after sale.

(f) **Optional Signature Line.** In the space provided for the name of the individual to be contacted in the event of complaints after sale, you may include a signature line for a buyer's signature. If you opt to include a signature line, you must include a disclosure in immediate proximity to the signature line stating: "I hereby acknowledge receipt of the Buyers Guide at the closing of this sale." You may pre-print this language on the form if you choose.

Credits

[60 FR 62205, Dec. 5, 1995; 77 FR 73914, Dec. 12, 2012; 81 FR 81678, Nov. 18, 2016]

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

AUTHORITY: 15 U.S.C. 2309; 15 U.S.C. 41–58.

Notes of Decisions (20)

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16 C.F.R. § 455.3

§ 455.3 Window form.

Currentness

(a) Form given to buyer. Give the buyer of a used vehicle sold by you the window form displayed under § 455.2 containing all of the disclosures required by the Rule and reflecting the warranty coverage agreed upon. If you prefer, you may give the buyer a copy of the original, so long as that copy accurately reflects all of the disclosures required by the Rule and the warranty coverage agreed upon.

(b) Incorporated into contract. The information on the final version of the window form is incorporated into the contract of sale for each used vehicle you sell to a consumer. Information on the window form overrides any contrary provisions in the contract of sale. To inform the consumer of these facts, include the following language conspicuously in each consumer contract of sale:

The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

AUTHORITY: 15 U.S.C. 2309; 15 U.S.C. 41–58.

Notes of Decisions (4)

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16 C.F.R. § 455.4

§ 455.4 Contrary statements.

Currentness

You may not make any statements, oral or written, or take other actions which alter or contradict the disclosures required by §§ 455.2 and 455.3. You may negotiate over warranty coverage, as provided in § 455.2(b) of this part, as long as the final warranty terms are identified in the contract of sale and summarized on the copy of the window form you give to the buyer.

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

AUTHORITY: 15 U.S.C. 2309; 15 U.S.C. 41–58.

Notes of Decisions (3)

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16 C.F.R. § 455.5

§ 455.5 Spanish language sales.

Effective: January 27, 2017

Currentness

(a) If you conduct a sale in Spanish, the window form required by § 455.2 and the contract disclosures required by § 455.3 must be in that language. You may display on a vehicle both an English language window form and a Spanish language translation of that form. Use the translation and layout for Spanish language sales in Figures 4, 5, and 6.

(b) Use the following language for the “Implied Warranties Only” disclosure when required by § 455.2(b)(1) as illustrated by Figure 5:

SOLO GARANTÍAS IMPLÍCITAS

El concesionario no hace ninguna promesa de reparar lo que sea necesario cuando compre el vehículo o posteriormente. Sin embargo, las garantías implícitas según las leyes estatales podrían darle algunos derechos para hacer que el concesionario se encargue de ciertos problemas que no fueran evidentes cuando compró el vehículo.

(c) Use the following language for the “Service Contract” disclosure required by § 455.2(b)(3) as illustrated by Figures 4 and 5:

CONTRATO DE MANTENIMIENTO. Con un cargo adicional, puede obtener un contrato de mantenimiento para este vehículo. Pregunte acerca de los detalles de la cobertura, los deducibles, el precio y las exclusiones. Si compra un contrato de mantenimiento dentro de los 90 días desde el momento en que compró el vehículo, las garantías implícitas según las leyes de su estado podrían darle derechos adicionales.

(d) Use the following language if you choose to use the Optional Signature Line provided by § 455.2(f):

Por este medio confirmo que he recibido copia de la Guía del Comprador al momento de la compraventa.

Credits

[60 FR 62205, Dec. 5, 1995; 77 FR 73914, Dec. 12, 2012; 81 FR 81679, Nov. 18, 2016]

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

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16 C.F.R. § 455.6

§ 455.6 State exemptions.

Currentness

(a) If, upon application to the Commission by an appropriate State agency, the Commission determines, that---

(1) There is a State requirement in effect which applies to any transaction to which this rule applies; and

(2) That State requirement affords an overall level of protection to consumers which is as great as, or greater than, the protection afforded by this Rule; then the Commission's Rule will not be in effect in that State to the extent specified by the Commission in its determination, for as long as the State administers and enforces effectively the State requirement.

(b) Applications for exemption under subsection (a) should be directed to the Secretary of the Commission. When appropriate, proceedings will be commenced in order to make a determination described in paragraph (a) of this section, and will be conducted in accordance with subpart C of part 1 of the Commission's Rules of Practice.

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

AUTHORITY: 15 U.S.C. 2309; 15 U.S.C. 41-58.

Notes of Decisions (1)

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16 C.F.R. § 455.7

§ 455.7 Severability.

Currentness

The provisions of this part are separate and severable from one another. If any provision is determined to be invalid, it is the Commission's intention that the remaining provisions shall continue in effect.

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

AUTHORITY: 15 U.S.C. 2309; 15 U.S.C. 41-58.

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16 C.F.R. Pt. 455, Fig. 1

FIGURE 1 TO PART 455—"AS IS" – NO DEALER WARRANTY BUYERS GUIDE (ENGLISH)

Effective: January 27, 2017

Currentness

FIGURE 1 TO PART 455 – "AS IS" - NO DEALER WARRANTY Buyers Guide
(English)

BUYERS GUIDE

IMPORTANT: Dealer promises are different. Ask the dealer to put all promises in writing. Keep the form.

WARRANTIES FOR THIS VEHICLE:

AS IS - NO DEALER WARRANTY
THE DEALER DOES NOT PROVIDE A WARRANTY FOR ANY REPAIRS AFTER SALE.

DEALER WARRANTY

Full Warranty

Limited Warranty: The dealer will pay _____% of the labor and _____% of the parts for the covered system that fail during the warranty period. Ask the dealer for a copy of the warranty, and for any documents that explain exactly coverage, exclusions, and the dealer's legal obligations. Implied warranties under your state's law may provide additional rights.

SYSTEMS COVERED	DURATION

NON-DEALER WARRANTIES FOR THIS VEHICLE

MANUFACTURER'S WARRANTY STILL APPLIES: The manufacturer's original warranty applies regardless of some components of the vehicle.

MANUFACTURER'S USED VEHICLE WARRANTY APPLIES.

OTHER USED VEHICLE WARRANTY APPLIES.

Ask the dealer for a copy of the warranty document and an explanation of warranty coverage, exclusions, and repair obligations.

SERVICE CONTRACT: A service contract on this vehicle is available for an extra charge. Ask the dealer about coverage, deductible, claim, and exclusions. If you buy a service contract, verify NO title or your purchase of this vehicle, implied warranties under your state's law may give you additional rights.

ASK THE DEALER IF YOUR MECHANIC CAN INSPECT THE VEHICLE ON OR OFF THE LOT.

OBTAIN A VEHICLE HISTORY REPORT AND CHECK FOR OPEN SAFETY RECALLS. For a fee, you can now obtain a vehicle history report, and the government. To check for open safety recalls, visit www.safercar.gov. You will need the vehicle's identification number (VIN). www.safercar.gov to make the best use of the new online tool. www.safercar.gov

SEE OTHER SIDE for important additional information, including a list of major defects that may occur in used motor vehicles.

Read more extensively www.safercar.gov regarding special purchase programs for Government Contractors, employees of

204 cc/84 of fuel / 1 cc stroke

28.4 cc bore / 1 cc stroke

1 pt fuel

6.5 pt fuel & regular caps & 10

0.5 pt fuel

6 pt regular caps

1.2 pt bore caps

2 pt fuel

2.5 pt bore / 1 pt stroke

24.4 cc bore / 1 cc stroke

8.5 pt regular caps & 10

1 pt dashed rule

22.4 cc bore / 1 pt stroke

24 pt bore caps

6 pt bore / 1 pt stroke

6.5 pt regular / 7.4 cc caps & 10

13.2 pt leading

9 pt fuel caps / 2 cc stroke

12 pt bore caps

2 pt fuel

5 pt bore / 1 pt stroke

8.5 pt regular caps & 10

10.2 pt leading

1 pt fuel

6 pt bore / 1 pt stroke

8.5 pt regular / 7.4 cc caps & 10

10.2 pt leading

1 pt fuel

9 pt regular bore caps & 10

10.3 pt leading

* To replace is April text is flush left unless otherwise noted.

Credits
[81 FR 81679, Nov. 18, 2016]

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Part 455. Used Motor Vehicle Trade Regulation Rule (Refs & Annos)

16 C.F.R. Pt. 455, Fig. 2

FIGURE 2 TO PART 455—IMPLIED WARRANTIES ONLY BUYERS GUIDE (ENGLISH)

Effective: January 27, 2017

Currentness

FIGURE 2 TO PART 455 – IMPLIED WARRANTIES ONLY Buyers Guide (English)

BUYERS GUIDE

IMPORTANT: Faded portions are from this article. Add the text to your purchase agreement keeping font size the same as the original.

WARRANTIES FOR THIS VEHICLE.

IMPLIED WARRANTIES ONLY

The dealer does not make any promises to fix things that need repair when you buy the vehicle. If after you buy the vehicle, a problem arises under your state's laws, you may have some rights to cover the dealer's promise of serious problems that were not apparent when you bought the vehicle.

DEALER WARRANTY

FULL WARRANTY

LIMITED WARRANTY: The dealer will provide a written warranty for the parts for the covered systems for a limited time period. Ask the dealer for a copy of the warranty. Ask for any details that exceed the factory coverage, exclusions, and the dealer's repair obligations. You may want to add your state's law to give you additional rights.

SYSTEMS COVERED	DURATION
	5000 or 80000 miles, 3 yr stroke
	28 pt coil caps centered
	1 pt rule
	8.5 pt bold & regular caps & l.
	0.5 pt rule
	6 pt regular caps
	12 pt coil caps
	2 pt rule
	22 pt box, 1 pt stroke
	24 pt bold caps
	8.5 pt regular bold caps & l.
	10.2 pt leading
	1 pt dashed rule
	22 pt box, 1 pt stroke
	24 pt bold caps
	8 pt boxes, 1 pt stroke
	8.5 pt regular bold caps & l.
	10.2 pt leading
	9 pt bold caps, 3 columns
	12 pt bold caps
	2 pt rule
	8 pt boxes, 1 pt stroke
	8.5 pt regular bold caps & l.
	10.2 pt leading
	1 pt rule
	8 pt box, 1 pt stroke
	8.5 pt regular bold caps & l.
	10.2 pt leading
	2 pt rule
	9 pt regular bold caps & l.
	10.8 pt leading

NON-DEALER WARRANTIES FOR THIS VEHICLE:

MANUFACTURER'S WARRANTY ONLY APPLIES: The manufacturer's original warranty has not expired on some components of the vehicle.

MANUFACTURER'S USED VEHICLE WARRANTY PROVIDED

OTHER AUTO VEHICLE WARRANTY APPLIES

Ask the dealer for a copy of the warranty document and an explanation of warranty coverage, exclusions, and repair obligations.

SERVICE CONTRACT: A service contract with a retailer is available for purchase through ASA. Ask for details about coverage, deductibles, co-insurance, if you buy a service contract with 90 days of your purchase of this vehicle, implied warranties under your state's laws may give you additional rights.

ASK THE DEALER IF YOUR MECHANIC CAN INSPECT THE VEHICLE ON OR OFF THE LOT.

OBTAIN A VEHICLE HISTORY REPORT AND CHECK FOR OPEN SAFETY RECALLS. A vehicle history report will provide information on title, liens, a vehicle history report, and the vehicle's status. To check for open safety recalls, visit www.safercar.gov and provide the vehicle's identification number (VIN) to have a recall check performed. For more information on these sites.

SEE OTHER SIDE for important additional information, including a list of the car defects that may occur in used motor vehicles.

See the consumer response to vehicle emissions, pollution and repair data Guide. Contact the EPA website.

* Type in your Order for this Article (W) in less than 60 days of sale.

Credits

[81 FR 81679, Nov. 18, 2016]

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

AUTHORITY: 15 U.S.C. 2309; 15 U.S.C. 41–58.

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16 C.F.R. Pt. 455, Fig. 3

FIGURE 3 TO PART 455—BACK OF BUYERS GUIDE (ENGLISH)

Effective: January 27, 2017

Currentness

FIGURE 3 TO PART 455 = Back of Buyers Guide (English)

There is a list of some major defects that may occur in used vehicles.

<p>Transaxle Body</p> <p>... ..</p> <p>Engine</p> <p>... ..</p> <p>Transmission and Drive Shaft</p> <p>... ..</p> <p>Driveline</p> <p>... ..</p>	<p>Coating System</p> <p>... ..</p> <p>Electrical System</p> <p>... ..</p> <p>Fuel System</p> <p>... ..</p> <p>Major Body Attachments</p> <p>... ..</p> <p>Other Systems</p> <p>... ..</p>	<p>Steering, Suspension, Brakes</p> <p>... ..</p> <p>Interior</p> <p>... ..</p> <p>Exterior</p> <p>... ..</p> <p>Wheels</p> <p>... ..</p> <p>Engine Emission Control</p> <p>... ..</p>
--	---	---

DEALER NAME

ADDRESS

TELEPHONE

FOR INFORMATION SEE DEALER INFORMATION

IMPORTANT The information on this form is provided only to help you buy this vehicle. It does not constitute a warranty or any other legal obligation of the dealer or manufacturer. For more information, see 16 C.F.R. 455.10.

504 x 354 pt box, 1 column
 2 pt rule
 7 pt rule at top & bottom
 144 pt column left, center, right
 7 pt rule for 15 pt left and
 10 pt left and right
 8.5 pt leading

2 pt rule
 8 pt rule
 8 pt rule for case
 25 pt between rules

2 pt rule
 10 pt rule
 10 pt leading

* Typeface is Arial, font is Times 10pt, unless otherwise noted.

Credits
 [81 FR 81679, Nov. 18, 2016]

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

AUTHORITY: 15 U.S.C. 2309; 15 U.S.C. 41-58.

Code of Federal Regulations

Title 16. Commercial Practices

Chapter I. Federal Trade Commission

Subchapter D. Trade Regulation Rules

Part 455. Used Motor Vehicle Trade Regulation Rule (Refs & Annos)

16 C.F.R. Pt. 455, Fig. 4

FIGURE 4 TO PART 455—"AS IS" – NO DEALER WARRANTY BUYERS GUIDE (SPANISH)

Effective: January 27, 2017

Currentness

FIGURE 4 TO PART 455 "AS IS" - NO DEALER WARRANTY Buyers Guide

(Spanish)

GUÍA DEL COMPRADOR

IMPORTANTE: Las compras verticales son del tipo de hacer cumplir, y no de hacer cumplir, que no se aplican a las compras verticales. Consulte el 20 Formulario.

NOMBRE DEL COMPRADOR: _____ DIRECCIÓN: _____ TELÉFONO: _____

GARANTÍAS PARA ESTE VEHÍCULO.

COMO ESTÁ - SIN GARANTÍA DEL CONCESIONARIO

EL COMPRADOR DEBE PAGAR NINGUNA REPARACIÓN. El concesionario no tiene obligación de reparar o reemplazar partes después de comprar el vehículo.

GARANTÍA DEL CONCESIONARIO

Garantía de 3 meses.

Garantía limitada. El concesionario paga a _____ de los gastos de mano de obra y _____ de los partes de los sistemas cubiertos que fallan durante el período de garantía. El comprador asume el costo de la mano de obra y los materiales necesarios para la reparación del vehículo. Las partes móviles, según las leyes de su estado, pueden poseer derechos adicionales.

SISTEMAS CUBIERTOS: _____ DURACIÓN: _____

GARANTÍAS QUE NO PERTENECEN AL CONCESIONARIO

LA GARANTÍA DEL FABRICANTE ORIGINAL. La garantía original de fabricante no es aplicable para algunos de los componentes del vehículo.

SE APLICA LA GARANTÍA DEL FABRICANTE PARA LOS USUARIOS.

SE APLICA OTRA GARANTÍA PARA RECHIBIDOS USUARIOS.

Para el concesionario que se aplica el documento de garantía y las exclusiones de la cobertura, las exclusiones y los gastos de reparación.

CONTRATO DE MANTENIMIENTO. Un contrato de mantenimiento puede obtener un contrato de mantenimiento para este vehículo. Pregunte acerca de los detalles de la cobertura, los deducibles, el costo y las exclusiones. El costo del contrato de mantenimiento debe ser de 30 días desde el momento en que compró el vehículo, según se especifica en las leyes de su estado, pueden poseer derechos adicionales.

PREGUNTE AL CONCESIONARIO SI SU MECÁNICO PUEDE INSPECCIONAR EL VEHÍCULO DENTRO O FUERA DEL CONCESIONARIO.

CONTENGA UN INFORME DEL HISTORIAL DEL VEHÍCULO Y VERIFIQUE SU EXISTENCIA #111111 POR DEFECTOS DE SEGURIDAD PENDING. El vendedor debe proporcionar un informe de historia del vehículo sobre el título de gestión de ventas. Para verificar si existen otros que defectos de seguridad que pueden afectar la seguridad. Para obtener un máximo de información de estos sitios, consulte el número de identificación de vehículos (VIN) en el título de venta.

CONSULTE EL DOPED para obtener más información, incluyendo una lista de defectos importantes que pueden afectar en cualquier momento de un usuario.

- 10.4 x 58.4 pt. caps. 3.0 stroke
- 28 pt. bore, caps. 2.0 stroke
- 1 pt. bore
- 3.5 pt. bore, 3 regular caps. & c
- 10.2 pt. leading
- 0.5 pt. bore
- 6 pt. regular caps.
- 17 pt. bore caps
- 2 pt. bore
- 21 pt. bore, 1 pt. stroke
- 24 pt. bore caps
- 24 pt. leading
- 3.5 pt. regular caps & c
- 10.2 pt. leading
- 1 pt. bore, 1 pt. stroke
- 30 pt. bore, 1 pt. stroke
- 24 pt. bore caps
- 3 pt. bore, 1 pt. stroke
- 3.5 pt. regular caps, bore & c
- 10.2 pt. leading
- 9.2 pt. bore caps, 2 stroke
- 10 pt. bore caps
- 2 pt. bore
- 3 pt. bore, 1 pt. stroke
- 3.5 pt. regular caps & c
- 10.2 pt. leading
- 1 pt. bore
- 3 pt. bore, 1 pt. stroke
- 3.5 pt. regular caps & c
- 10.2 pt. leading
- 2 pt. bore
- 3 pt. regular caps, bore & c
- 10.2 pt. leading

* Typeface: 8 pt. text is 11 pt. bold is 14 pt. bold is 16 pt. bold is 18 pt.

Credits
[81 FR 81679, Nov. 18, 2016]

Code of Federal Regulations
Title 16. Commercial Practices
Chapter I. Federal Trade Commission
Subchapter D. Trade Regulation Rules
Part 455. Used Motor Vehicle Trade Regulation Rule (Refs & Annos)

16 C.F.R. Pt. 455, Fig. 5

FIGURE 5 TO PART 455—IMPLIED WARRANTIES ONLY BUYERS GUIDE (SPANISH)

Effective: January 27, 2017

Currentness

FIGURE 5 TO PART 455 – IMPLIED WARRANTIES ONLY Buyers Guide (Spanish)

GUÍA DEL COMPRADOR

IMPORTANTE: Las personas que no son capaces de hacer clic para seleccionar un ítem no podrán comprar todos los productos por correo electrónico en el formulario.

[¿Cómo funciona el formulario?](#)
 [¿Cómo funciona el formulario?](#)
 [¿Cómo funciona el formulario?](#)

GARANTÍAS PARA ESTÉ VEHÍCULO:

SOLO GARANTÍAS IMPLÍCITAS

El concesionario solo tiene la garantía implícita de reparar o reemplazar un componente crucial del vehículo que se avería o falla durante el período de garantía implícita. No garantiza, las garantías implícitas cubren las piezas esenciales para el funcionamiento normal del vehículo. Algunos ejemplos de piezas que no están cubiertas por el período de garantía implícita son: los sistemas de dirección y suspensión del vehículo.

GARANTÍA DEL CONCESIONARIO

GARANTÍA COMPLETA

GARANTÍA LIMITADA. El concesionario pagará el _____ % de la mano de obra y el _____ % de los costos de los materiales sustituidos por defecto durante el período de garantía. Pídale al concesionario una copia de la garantía de cualquier documento que le indique que el concesionario, los concesionarios y las delegadas de venta de vehículos para el concesionario, las garantías implícitas, según las leyes de su estado, pueden darle derechos adicionales.

SISTEMAS Y CUERPOS: _____ DURACION: _____

GARANTÍAS QUE NO PERTENECEN AL CONCESIONARIO:

LA GARANTÍA DE LA FABRICANTE, TAMPOCO LA GARANTÍA DE LA GARANTÍA COMPLETA de los vehículos que se reparan o reemplazan.

SE APlica LA GARANTÍA DEL FABRICANTE PARA VEHÍCULOS USUARIOS.

SE APlica LA GARANTÍA PARA VEHÍCULOS USUARIOS.

Pídale al concesionario una copia del documento de garantía y una descripción de la cobertura. Las garantías implícitas no implican la reparación.

CONTRATO DE MANTENIMIENTO. Con un cargo adicional puede obtener un contrato de mantenimiento para su vehículo. Pregunte acerca de los detalles de la cobertura, los precios y las restricciones. El contrato de contrato de mantenimiento de los 30 días cubre el tiempo en que el concesionario o el concesionario, según las leyes de su estado, pueden darle derechos adicionales.

PREGUNTE AL CONCESIONARIO SI SU MECÁNICO PUEDE INSPECCIONAR EL VEHÍCULO DENTRO O FUERA DEL CONCESIONARIO.

OBTenga UN INFORME DEL HISTORIAL DEL VEHÍCULO Y VERIFIQUE SI EXISTEN DEFECTOS POR DEFECTOS DE SEGURIDAD PENDIENTES. Para saber más sobre cómo obtener un informe del historial del vehículo, visite el sitio Web de los concesionarios. Para saber si existen defectos pendientes de reparación, visite el sitio Web de la Administración de Vehículos de su estado. Para saber más sobre el historial del vehículo, visite el sitio Web de la Administración de Vehículos de su estado.

CONSULTE EL DODSO para obtener más información, incluyendo una lista de defectos reportados que pueden ocurrir en sus autos de motor usados.

504 x 684 pt box, 1 pt stroke

20 pt bold caps centered

1 pt rule

6.5 pt bold & regular, caps & lt

10.2 pt leading

0.5 pt rule

6 pt regular caps

10 pt bold caps

2 pt rule

22 pt box, 1 pt stroke

24 pt bold caps

6.5 pt regular, italic, caps & lt

10.2 pt leading

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24 pt bold caps

6 pt boxes, 1 pt stroke

6.5 pt regular, italic, caps & lt

10.2 pt leading

9 pt bold caps, 2 columns

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6 pt boxes, 1 pt stroke

6.5 pt regular, caps & lt

10.2 pt leading

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6 pt box, 1 pt stroke

6.5 pt regular, italic, caps & lt

10.2 pt leading

2 pt rule

6 pt regular, bold, caps & lt

10.8 pt leading

* Typeface is Arial. Text is flush left unless otherwise noted.

Credits
[81 FR 81679, Nov. 18, 2016]

SOURCE: 49 FR 45725, Nov. 19, 1984; 77 FR 73914, Dec. 12, 2012, unless otherwise noted.

AUTHORITY: 15 U.S.C. 2309; 15 U.S.C. 41–58.

Code of Federal Regulations

Title 16. Commercial Practices

Chapter I. Federal Trade Commission

Subchapter D. Trade Regulation Rules

Part 455. Used Motor Vehicle Trade Regulation Rule (Refs & Annos)

16 C.F.R. Pt. 455, Fig. 6

FIGURE 6 TO PART 455—BACK OF BUYERS GUIDE (SPANISH)

Effective: January 27, 2017

Currentness

2. Truth in Lending Act, 15 U.S.C. §§ 1601 et seq. (“TILA”), promote the informed use of consumer credit by requiring creditors to provide clear, accurate, and standardized disclosures of the costs and terms of credit before a consumer becomes obligated.

Key goals include:

- Enabling consumers to shop for and compare credit offers by mandating disclosure of the Annual Percentage Rate (APR) and finance charge;
- Prohibiting deceptive or inaccurate credit advertising and billing practices;
- Providing substantive protections (e.g., billing-error resolution, right of rescission in certain transactions).

TILA (and Reg Z) applies whenever a dealer extends or arranges consumer credit or advertises financing terms.

United States Code Annotated
Title 15. Commerce and Trade
Chapter 41. Consumer Credit Protection (Refs & Annos)
Subchapter I. Consumer Credit Cost Disclosure (Refs & Annos)
Part A. General Provisions (Refs & Annos)

15 U.S.C.A. § 1601

§ 1601. Congressional findings and declaration of purpose

Currentness

(a) Informed use of credit

The Congress finds that economic stabilization would be enhanced and the competition among the various financial institutions and other firms engaged in the extension of consumer credit would be strengthened by the informed use of credit. The informed use of credit results from an awareness of the cost thereof by consumers. It is the purpose of this subchapter to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit, and to protect the consumer against inaccurate and unfair credit billing and credit card practices.

(b) Terms of personal property leases

The Congress also finds that there has been a recent trend toward leasing automobiles and other durable goods for consumer use as an alternative to installment credit sales and that these leases have been offered without adequate cost disclosures. It is the purpose of this subchapter to assure a meaningful disclosure of the terms of leases of personal property for personal, family, or household purposes so as to enable the lessee to compare more readily the various lease terms available to him, limit balloon payments in consumer leasing, enable comparison of lease terms with credit terms where appropriate, and to assure meaningful and accurate disclosures of lease terms in advertisements.

CREDIT(S)

(Pub.L. 90-321, Title I, § 102, May 29, 1968, 82 Stat. 146; Pub.L. 93-495, Title III, § 302, Oct. 28, 1974, 88 Stat. 1511; Pub.L. 94-240, § 2, Mar. 23, 1976, 90 Stat. 257.)

15 U.S.C.A. § 1601, 15 USCA § 1601

Current through P.L. 119-88. Some statute sections may be more current, see credits for details.

End of Document

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United States Code Annotated
Title 15. Commerce and Trade
Chapter 41. Consumer Credit Protection (Refs & Annos)
Subchapter I. Consumer Credit Cost Disclosure (Refs & Annos)
Part A. General Provisions (Refs & Annos)

15 U.S.C.A. § 1602

§ 1602. Definitions and rules of construction

Currentness

(a) The definitions and rules of construction set forth in this section are applicable for the purposes of this subchapter.

(b) Bureau

The term “Bureau” means the Bureau of Consumer Financial Protection.

(c) The term “Board” refers to the Board of Governors of the Federal Reserve System.

(d) The term “organization” means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

(e) The term “person” means a natural person or an organization.

(f) The term “credit” means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(g) The term “creditor” refers only to a person who both (1) regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required, and (2) is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement. Notwithstanding the preceding sentence, in the case of an open-end credit plan involving a credit card, the card issuer and any person who honors the credit card and offers a discount which is a finance charge are creditors. For the purpose of the requirements imposed under part D of this subchapter and sections 1637(a)(5), 1637(a)(6), 1637(a)(7), 1637(b)(1), 1637(b)(2), 1637(b)(3), 1637(b)(8), and 1637(b)(10) of this title, the term “creditor” shall also include card issuers whether or not the amount due is payable by agreement in more than four installments or the payment of a finance charge is or may be required, and the Bureau shall, by regulation, apply these requirements to such card issuers, to the extent appropriate, even though the requirements are by their terms applicable only to creditors offering open-end credit plans. Any person who originates 2 or more mortgages referred to in subsection (aa) in any 12-month period or any person who originates 1 or more such mortgages through a mortgage broker shall be considered to be a creditor for purposes of this subchapter. The term “creditor” includes a private educational lender (as that term is defined in section 1650 of this title) for purposes of this subchapter.

(h) The term “credit sale” refers to any sale in which the seller is a creditor. The term includes any contract in the form of a bailment or lease if the bailee or lessee contracts to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the property and services involved and it is agreed that the bailee or lessee will become, or for no other or a nominal consideration has the option to become, the owner of the property upon full compliance with his obligations under the contract.

(i) The adjective “consumer”, used with reference to a credit transaction, characterizes the transaction as one in which the party to whom credit is offered or extended is a natural person, and the money, property, or services which are the subject of the transaction are primarily for personal, family, or household purposes.

(j) The terms “open end credit plan” and “open end consumer credit plan” mean a plan under which the creditor reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and which provides for a finance charge which may be computed from time to time on the outstanding unpaid balance. A credit plan or open end consumer credit plan which is an open end credit plan or open end consumer credit plan within the meaning of the preceding sentence is an open end credit plan or open end consumer credit plan even if credit information is verified from time to time.

(k) The term “adequate notice,” as used in section 1643 of this title, means a printed notice to a cardholder which sets forth the pertinent facts clearly and conspicuously so that a person against whom it is to operate could reasonably be expected to have noticed it and understood its meaning. Such notice may be given to a cardholder by printing the notice on any credit card, or on each periodic statement of account, issued to the cardholder, or by any other means reasonably assuring the receipt thereof by the cardholder.

(l) The term “credit card” means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor, or services on credit.

(m) The term “accepted credit card” means any credit card which the cardholder has requested and received or has signed or has used, or authorized another to use, for the purpose of obtaining money, property, labor, or services on credit.

(n) The term “cardholder” means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.

(o) The term “card issuer” means any person who issues a credit card, or the agent of such person with respect to such card.

(p) The term “unauthorized use,” as used in section 1643 of this title, means a use of a credit card by a person other than the cardholder who does not have actual, implied, or apparent authority for such use and from which the cardholder receives no benefit.

(q) The term “discount” as used in section 1666f of this title means a reduction made from the regular price. The term “discount” as used in section 1666f of this title shall not mean a surcharge.

(r) The term “surcharge” as used in this section and section 1666f of this title means any means of increasing the regular price to a cardholder which is not imposed upon customers paying by cash, check, or similar means.

(s) The term “State” refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(t) The term “agricultural purposes” includes the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures those agricultural products, including but not limited to the acquisition of farmland, real property with a farm residence, and personal property and services used primarily in farming.

(u) The term “agricultural products” includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.

(v) The term “material disclosures” means the disclosure, as required by this subchapter, of the annual percentage rate, the method of determining the finance charge and the balance upon which a finance charge will be imposed, the amount of the finance charge, the amount to be financed, the total of payments, the number and amount of payments, the due dates or periods of payments scheduled to repay the indebtedness, and the disclosures required by section 1639(a) of this title.

(w) The term “dwelling” means a residential structure or mobile home which contains one to four family housing units, or individual units of condominiums or cooperatives.

(x) The term “residential mortgage transaction” means a transaction in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the consumer's dwelling to finance the acquisition or initial construction of such dwelling.

(y) As used in this section and section 1666f of this title, the term “regular price” means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit cardholder's open-end account shall not be considered payment made by use of the plan or the account.

(z) Any reference to any requirement imposed under this subchapter or any provision thereof includes reference to the regulations of the Bureau under this subchapter or the provision thereof in question.

(aa) The disclosure of an amount or percentage which is greater than the amount or percentage required to be disclosed under this subchapter does not in itself constitute a violation of this subchapter.

(bb) High-cost mortgage

(1) Definition

(A) In general

The term “high-cost mortgage”, and a mortgage referred to in this subsection, means a consumer credit transaction that is secured by the consumer's principal dwelling, other than a reverse mortgage transaction, if--

(i) in the case of a credit transaction secured--

(I) by a first mortgage on the consumer's principal dwelling, the annual percentage rate at consummation of the transaction will exceed by more than 6.5 percentage points (8.5 percentage points, if the dwelling is personal property and the transaction is for less than \$50,000) the average prime offer rate, as defined in section 1639c(b)(2)(B) of this title, for a comparable transaction; or

(II) by a subordinate or junior mortgage on the consumer's principal dwelling, the annual percentage rate at consummation of the transaction will exceed by more than 8.5 percentage points the average prime offer rate, as defined in section 1639c(b)(2)(B) of this title, for a comparable transaction;

(ii) the total points and fees payable in connection with the transaction, other than bona fide third party charges not retained by the mortgage originator, creditor, or an affiliate of the creditor or mortgage originator, exceed--

(I) in the case of a transaction for \$20,000 or more, 5 percent of the total transaction amount; or

(II) in the case of a transaction for less than \$20,000, the lesser of 8 percent of the total transaction amount or \$1,000 (or such other dollar amount as the Board shall prescribe by regulation); or

(iii) the credit transaction documents permit the creditor to charge or collect prepayment fees or penalties more than 36 months after the transaction closing or such fees or penalties exceed, in the aggregate, more than 2 percent of the amount prepaid.

(B) Introductory rates taken into account

For purposes of subparagraph (A)(i), the annual percentage rate of interest shall be determined based on the following interest rate:

(i) In the case of a fixed-rate transaction in which the annual percentage rate will not vary during the term of the loan, the interest rate in effect on the date of consummation of the transaction.

(ii) In the case of a transaction in which the rate of interest varies solely in accordance with an index, the interest rate determined by adding the index rate in effect on the date of consummation of the transaction to the maximum margin permitted at any time during the loan agreement.

(iii) In the case of any other transaction in which the rate may vary at any time during the term of the loan for any reason, the interest charged on the transaction at the maximum rate that may be charged during the term of the loan.

(C) Mortgage insurance

For the purposes of computing the total points and fees under paragraph (4), the total points and fees shall exclude--

(i) any premium provided by an agency of the Federal Government or an agency of a State;

(ii) any amount that is not in excess of the amount payable under policies in effect at the time of origination under section 203(c)(2)(A) of the National Housing Act (12 U.S.C. 1709(c)(2)(A)), provided that the premium, charge, or fee is required to be refundable on a pro-rated basis and the refund is automatically issued upon notification of the satisfaction of the underlying mortgage loan; and

(iii) any premium paid by the consumer after closing.

(2)(A) After the 2-year period beginning on the effective date of the regulations promulgated under section 155 of the Riegle Community Development and Regulatory Improvement Act of 1994, and no more frequently than biennially after the first increase or decrease under this subparagraph, the Bureau may by regulation increase or decrease the number of percentage points specified in paragraph (1)(A), if the Bureau determines that the increase or decrease is--

(i) consistent with the consumer protections against abusive lending provided by the amendments made by subtitle B of title I of the Riegle Community Development and Regulatory Improvement Act of 1994; and

(ii) warranted by the need for credit.

(B) An increase or decrease under subparagraph (A)--

(i) may not result in the number of percentage points referred to in paragraph (1)(A)(i)(I) being less than 6 percentage points or greater than 10 percentage points; and

(ii) may not result in the number of percentage points referred to in paragraph (1)(A)(i)(II) being less than 8 percentage points or greater than 12 percentage points.

(C) In determining whether to increase or decrease the number of percentage points referred to in subparagraph (A), the Bureau shall consult with representatives of consumers, including low-income consumers, and lenders.

(3) The amount specified in paragraph (1)(B)(ii) shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index, as reported on June 1 of the year preceding such adjustment.

(4) For purposes of paragraph (1)(B), points and fees shall include--

(A) all items included in the finance charge, except interest or the time-price differential;

(B) all compensation paid directly or indirectly by a consumer or creditor to a mortgage originator from any source, including a mortgage originator that is also the creditor in a table-funded transaction;

(C) each of the charges listed in section 1605(c) of this title (except an escrow for future payment of taxes), unless--

(i) the charge is reasonable;

(ii) the creditor receives no direct or indirect compensation; and

(iii) the charge is paid to a third party unaffiliated with the creditor; and

(D) premiums or other charges payable at or before closing for any credit life, credit disability, credit unemployment, or credit property insurance, or any other accident, loss-of-income, life or health insurance, or any payments directly or indirectly for any debt cancellation or suspension agreement or contract, except that insurance premiums or debt cancellation or suspension fees calculated and paid in full on a monthly basis shall not be considered financed by the creditor;

(E) the maximum prepayment fees and penalties which may be charged or collected under the terms of the credit transaction;

(F) all prepayment fees or penalties that are incurred by the consumer if the loan refinances a previous loan made or currently held by the same creditor or an affiliate of the creditor, and

(G) such other charges as the Bureau determines to be appropriate.

(5) Calculation of points and fees for open-end consumer credit plans

In the case of open-end consumer credit plans, points and fees shall be calculated, for purposes of this section and section 1639 of this title, by adding the total points and fees known at or before closing, including the maximum prepayment penalties which may be charged or collected under the terms of the credit transaction, plus the minimum additional fees the consumer would be required to pay to draw down an amount equal to the total credit line.

(6) This subsection shall not be construed to limit the rate of interest or the finance charge that a person may charge a consumer for any extension of credit.

(cc) The term “reverse mortgage transaction” means a nonrecourse transaction in which a mortgage, deed of trust, or equivalent consensual security interest is created against the consumer’s principal dwelling--

(1) securing one or more advances; and

(2) with respect to which the payment of any principal, interest, and shared appreciation or equity is due and payable (other than in the case of default) only after--

(A) the transfer of the dwelling;

(B) the consumer ceases to occupy the dwelling as a principal dwelling; or

(C) the death of the consumer.

(dd) Definitions relating to mortgage origination and residential mortgage loans

(1) Commission

Unless otherwise specified, the term “Commission” means the Federal Trade Commission.

(2) Mortgage originator

The term “mortgage originator”--

(A) means any person who, for direct or indirect compensation or gain, or in the expectation of direct or indirect compensation or gain--

(i) takes a residential mortgage loan application;

(ii) assists a consumer in obtaining or applying to obtain a residential mortgage loan; or

(iii) offers or negotiates terms of a residential mortgage loan;

(B) includes any person who represents to the public, through advertising or other means of communicating or providing information (including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items), that such person can or will provide any of the services or perform any of the activities described in subparagraph (A);

(C) does not include any person who is--

(i) not otherwise described in subparagraph (A) or (B) and who performs purely administrative or clerical tasks on behalf of a person who is described in any such subparagraph; or

(ii) a retailer of manufactured or modular homes or an employee of the retailer if the retailer or employee, as applicable--

(I) does not receive compensation or gain for engaging in activities described in subparagraph (A) that is in excess of any compensation or gain received in a comparable cash transaction;

(II) discloses to the consumer--

(aa) in writing any corporate affiliation with any creditor; and

(bb) if the retailer has a corporate affiliation with any creditor, at least 1 unaffiliated creditor; and

(III) does not directly negotiate with the consumer or lender on loan terms (including rates, fees, and other costs).

(D) does not include a person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with applicable State law, unless such person or entity is compensated by a lender, a mortgage broker, or other mortgage originator or by any agent of such lender, mortgage broker, or other mortgage originator;

(E) does not include, with respect to a residential mortgage loan, a person, estate, or trust that provides mortgage financing for the sale of 3 properties in any 12-month period to purchasers of such properties, each of which is owned by such person, estate, or trust and serves as security for the loan, provided that such loan--

(i) is not made by a person, estate, or trust that has constructed, or acted as a contractor for the construction of, a residence on the property in the ordinary course of business of such person, estate, or trust;

(ii) is fully amortizing;

(iii) is with respect to a sale for which the seller determines in good faith and documents that the buyer has a reasonable ability to repay the loan;

(iv) has a fixed rate or an adjustable rate that is adjustable after 5 or more years, subject to reasonable annual and lifetime limitations on interest rate increases; and

(v) meets any other criteria the Board may prescribe;

(F) does not include the creditor (except the creditor in a table-funded transaction) under paragraph (1), (2), or (4) of section 1639b(c) of this title; and

(G) does not include a servicer or servicer employees, agents and contractors, including but not limited to those who offer or negotiate terms of a residential mortgage loan for purposes of renegotiating, modifying, replacing and subordinating principal of existing mortgages where borrowers are behind in their payments, in default or have a reasonable likelihood of being in default or falling behind.

(3) Nationwide Mortgage Licensing System and Registry

The term "Nationwide Mortgage Licensing System and Registry" has the same meaning as in the Secure and Fair Enforcement for Mortgage Licensing Act of 2008.

(4) Other definitions relating to mortgage originator

For purposes of this subsection, a person "assists a consumer in obtaining or applying to obtain a residential mortgage loan" by, among other things, advising on residential mortgage loan terms (including rates, fees, and other costs), preparing residential mortgage loan packages, or collecting information on behalf of the consumer with regard to a residential mortgage loan.

(5) Residential mortgage loan

The term "residential mortgage loan" means any consumer credit transaction that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or on residential real property that includes a dwelling, other than a consumer credit transaction under an open end credit plan or, for purposes of sections 1639b and 1639c of this title and section 1638(a)(16), (17), (18), and (19) of this title, and sections 1638(f) and 1640(k) of this title, and any regulations promulgated thereunder, an extension of credit relating to a plan described in section 101(53D) of Title 11.

(6) Secretary

The term "Secretary", when used in connection with any transaction or person involved with a residential mortgage loan, means the Secretary of Housing and Urban Development.

(7) Servicer

The term "servicer" has the same meaning as in section 2605(i)(2) of Title 12.

(cc) Bona fide discount points and prepayment penalties

For the purposes of determining the amount of points and fees for purposes of subsection (aa), either the amounts described in paragraph (1) or (2) of the following paragraphs, but not both, shall be excluded:

(1) Up to and including 2 bona fide discount points payable by the consumer in connection with the mortgage, but only if the interest rate from which the mortgage's interest rate will be discounted does not exceed by more than 1 percentage point--

(A) the average prime offer rate, as defined in section 1639c of this title; or

(B) if secured by a personal property loan, the average rate on a loan in connection with which insurance is provided under title I of the National Housing Act (12 U.S.C. 1702 et seq.).

(2) Unless 2 bona fide discount points have been excluded under paragraph (1), up to and including 1 bona fide discount point payable by the consumer in connection with the mortgage, but only if the interest rate from which the mortgage's interest rate will be discounted does not exceed by more than 2 percentage points--

(A) the average prime offer rate, as defined in section 1639c of this title; or

(B) if secured by a personal property loan, the average rate on a loan in connection with which insurance is provided under title I of the National Housing Act (12 U.S.C. 1702 et seq.).

(3) For purposes of paragraph (1), the term "bona fide discount points" means loan discount points which are knowingly paid by the consumer for the purpose of reducing, and which in fact result in a bona fide reduction of, the interest rate or time-price differential applicable to the mortgage.

(4) Paragraphs (1) and (2) shall not apply to discount points used to purchase an interest rate reduction unless the amount of the interest rate reduction purchased is reasonably consistent with established industry norms and practices for secondary mortgage market transactions.

CREDIT(S)

(Pub.L. 90-321, Title I, § 103, May 29, 1968, 82 Stat. 147; Pub.L. 91-508, Title V, § 501, Oct. 26, 1970, 84 Stat. 1126; Pub.L. 93-495, Title III, § 303, Oct. 28, 1974, 88 Stat. 1511; Pub.L. 94-222, § 3(a), Feb. 27, 1976, 90 Stat. 197; Pub.L. 96-221, Title VI, §§ 602, 603(a), (b), 604, 612(a)(2), (b), Mar. 31, 1980, 94 Stat. 168, 169, 175, 176; Pub.L. 97-25, Title I, § 102, July 27, 1981, 95 Stat. 144; Pub.L. 97-320, Title VII, § 702(a), Oct. 15, 1982, 96 Stat. 1538; Pub.L. 103-325, Title I, §§ 152(a) to (c), 154(a), Sept. 23, 1994, 108 Stat. 2190, 2191, 2196; Pub.L. 110-315, Title X, § 1011(b), Aug. 14, 2008, 122 Stat. 3481; Pub.L. 111-24, Title I, § 108, May 22, 2009, 123 Stat. 1743; Pub.L. 111-203, Title X, § 1100A(1), (2), Title XIV, §§ 1401, 1431, July 21, 2010, 124 Stat. 2107, 2137, 2157; Pub.L. 115-174, Title I, § 107, May 24, 2018, 132 Stat. 1304.)

15 U.S.C.A. § 1602, 15 USCA § 1602

Current through P.L. 119-88. Some statute sections may be more current, see credits for details.

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Title 15. Commerce and Trade

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Part A. General Provisions (Refs & Annos)

15 U.S.C.A. § 1603

§ 1603. Exempted transactions

Effective: July 21, 2011

Currentness

This subchapter does not apply to the following:

- (1) Credit transactions involving extensions of credit primarily for business, commercial, or agricultural purposes, or to government or governmental agencies or instrumentalities, or to organizations.
- (2) Transactions in securities or commodities accounts by a broker-dealer registered with the Securities and Exchange Commission.
- (3) Credit transactions, other than those in which a security interest is or will be acquired in real property, or in personal property used or expected to be used as the principal dwelling of the consumer and other than private education loans (as that term is defined in section 1650(a) of this title), in which the total amount financed exceeds \$50,000.
- (4) Transactions under public utility tariffs, if the Bureau determines that a State regulatory body regulates the charges for the public utility services involved, the charges for delayed payment, and any discount allowed for early payment.
- (5) Transactions for which the Bureau, by rule, determines that coverage under this subchapter is not necessary to carry out the purposes of this subchapter.
- (6) Repealed. Pub.L. 96-221, Title VI, § 603(c)(3), Mar. 31, 1980, 94 Stat. 169
- (7) Loans made, insured, or guaranteed pursuant to a program authorized by title IV of the Higher Education Act of 1965.

CREDIT(S)

(Pub.L. 90-321, Title I, § 104, May 29, 1968, 82 Stat. 147; Pub.L. 93-495, Title IV, § 402, Oct. 28, 1974, 88 Stat. 1517; Pub.L. 96-221, Title VI, § 603(c), Mar. 31, 1980, 94 Stat. 169; Pub L 97-320, Title VII, § 701(a), Oct. 15, 1982, 96 Stat. 1538; Pub.L. 104-208, Div. A, Title II, § 2102(a), Sept. 30, 1996, 110 Stat. 3009-398; Pub.L. 110-315, Title X, § 1022, Aug. 14, 2008, 122 Stat. 3488; Pub.L. 111-203, Title X, §§ 1100A(2), 1100E(a)(1), July 21, 2010, 124 Stat. 2107, 2111.)

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Part A. General Provisions (Refs & Annos)

15 U.S.C.A. § 1604

§ 1604. Disclosure guidelines

Effective: January 13, 2021
Currentness

(a) Promulgation, contents, etc., of regulations

The Bureau shall prescribe regulations to carry out the purposes of this subchapter. Except with respect to the provisions of section 1639 of this title that apply to a mortgage referred to in section 1602(aa) of this title, such regulations may contain such additional requirements, classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for all or any class of transactions, as in the judgment of the Bureau are necessary or proper to effectuate the purposes of this subchapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

(b) Model disclosure forms and clauses; publication, criteria, compliance, etc.

The Bureau shall publish a single, integrated disclosure for mortgage loan transactions (including real estate settlement cost statements) which includes the disclosure requirements of this subchapter in conjunction with the disclosure requirements of the Real Estate Settlement Procedures Act of 1974 that, taken together, may apply to a transaction that is subject to both or either provisions of law. The purpose of such model disclosure shall be to facilitate compliance with the disclosure requirements of this subchapter and the Real Estate Settlement Procedures Act of 1974, and to aid the borrower or lessee in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. In devising such forms, the Bureau shall consider the use by creditors or lessors of data processing or similar automated equipment. Nothing in this subchapter may be construed to require a creditor or lessor to use any such model form or clause prescribed by the Bureau under this section. A creditor or lessor shall be deemed to be in compliance with the disclosure provisions of this subchapter with respect to other than numerical disclosures if the creditor or lessor (1) uses any appropriate model form or clause as published by the Bureau, or (2) uses any such model form or clause and changes it by (A) deleting any information which is not required by this subchapter, or (B) rearranging the format, if in making such deletion or rearranging the format, the creditor or lessor does not affect the substance, clarity, or meaningful sequence of the disclosure.

(c) Procedures applicable for adoption of model forms and clauses

Model disclosure forms and clauses shall be adopted by the Bureau after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of Title 5.

(d) Effective dates of regulations containing new disclosure requirements

Any regulation of the Bureau, or any amendment or interpretation thereof, requiring any disclosure which differs from the disclosures previously required by this part, part D, or part E or by any regulation of the Bureau promulgated thereunder shall have an effective date of that October 1 which follows by at least six months the date of promulgation, except that the Bureau may at its discretion take interim action by regulation, amendment, or interpretation to lengthen the period of time permitted for creditors or lessors to adjust their forms to accommodate new requirements or shorten the length of time for creditors or lessors to make such adjustments when it makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive disclosure practices. Notwithstanding the previous sentence, any creditor or lessor may comply with any such newly promulgated disclosure requirements prior to the effective date of the requirements.

(e) Disclosure for charitable mortgage loan transactions

With respect to a mortgage loan transaction involving a residential mortgage loan offered at 0 percent interest with only bonafide and reasonable fees and that is primarily for charitable purposes by an organization described in section 501(c)(3) of Title 26 and exempt from taxation under section 501(a) of such title, forms HUD-1 and GFE (as defined under section 1024.2(b) of title 12, Code of Federal Regulations) together with a disclosure substantially in the form of the Loan Model Form H-2 (as depicted in Appendix H to part 1026 of title 12, Code of Federal Regulations) shall, collectively, be an appropriate model form for purposes of subsection (b) of this section.

(f) Exemption authority

(1) In general

The Bureau may exempt, by regulation, from all or part of this subchapter all or any class of transactions, other than transactions involving any mortgage described in section 1602(aa) of this title, for which, in the determination of the Bureau, coverage under all or part of this subchapter does not provide a meaningful benefit to consumers in the form of useful information or protection.

(2) Factors for consideration

In determining which classes of transactions to exempt in whole or in part under paragraph (1), the Bureau shall consider the following factors and publish its rationale at the time a proposed exemption is published for comment:

(A) The amount of the loan and whether the disclosures, right of rescission, and other provisions provide a benefit to the consumers who are parties to such transactions, as determined by the Bureau.

(B) The extent to which the requirements of this subchapter complicate, hinder, or make more expensive the credit process for the class of transactions.

(C) The status of the borrower, including--

(i) any related financial arrangements of the borrower, as determined by the Bureau;

(ii) the financial sophistication of the borrower relative to the type of transaction; and

(iii) the importance to the borrower of the credit, related supporting property, and coverage under this subchapter, as determined by the Bureau;

(D) whether the loan is secured by the principal residence of the consumer; and

(E) whether the goal of consumer protection would be undermined by such an exemption.

(g) Waiver for certain borrowers

(1) In general

The Bureau, by regulation, may exempt from the requirements of this subchapter certain credit transactions if--

(A) the transaction involves a consumer--

(i) with an annual earned income of more than \$200,000; or

(ii) having net assets in excess of \$1,000,000 at the time of the transaction; and

(B) a waiver that is handwritten, signed, and dated by the consumer is first obtained from the consumer.

(2) Adjustments by the Bureau

The Bureau, at its discretion, may adjust the annual earned income and net asset requirements of paragraph (1) for inflation.

(h) Deference

Notwithstanding any power granted to any Federal agency under this subchapter, the deference that a court affords to the Bureau with respect to a determination made by the Bureau relating to the meaning or interpretation of any provision of this subchapter, other than section 1639e or 1639h of this title, shall be applied as if the Bureau were the only agency authorized to apply, enforce, interpret, or administer the provisions of this subchapter.

(i) Authority of the Board to prescribe rules

Notwithstanding subsection (a), the Board shall have authority to prescribe rules under this subchapter with respect to a person described in section 5519(a) of Title 12. Regulations prescribed under this subsection may contain such classifications, differentiations, or other provisions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this subchapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

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15 U.S.C.A. § 1605

§ 1605. Determination of finance charge

Effective: July 21, 2011

Currentness

(a) "Finance charge" defined

Except as otherwise provided in this section, the amount of the finance charge in connection with any consumer credit transaction shall be determined as the sum of all charges, payable directly or indirectly by the person to whom the credit is extended, and imposed directly or indirectly by the creditor as an incident to the extension of credit. The finance charge does not include charges of a type payable in a comparable cash transaction. The finance charge shall not include fees and amounts imposed by third party closing agents (including settlement agents, attorneys, and escrow and title companies) if the creditor does not require the imposition of the charges or the services provided and does not retain the charges. Examples of charges which are included in the finance charge include any of the following types of charges which are applicable:

- (1) Interest, time price differential, and any amount payable under a point, discount, or other system of additional charges.
- (2) Service or carrying charge.
- (3) Loan fee, finder's fee, or similar charge.
- (4) Fee for an investigation or credit report.
- (5) Premium or other charge for any guarantee or insurance protecting the creditor against the obligor's default or other credit loss.
- (6) Borrower-paid mortgage broker fees, including fees paid directly to the broker or the lender (for delivery to the broker) whether such fees are paid in cash or financed.

(b) Life, accident, or health insurance premiums included in finance charge

Charges or premiums for credit life, accident, or health insurance written in connection with any consumer credit transaction shall be included in the finance charges unless

(1) the coverage of the debtor by the insurance is not a factor in the approval by the creditor of the extension of credit, and this fact is clearly disclosed in writing to the person applying for or obtaining the extension of credit; and

(2) in order to obtain the insurance in connection with the extension of credit, the person to whom the credit is extended must give specific affirmative written indication of his desire to do so after written disclosure to him of the cost thereof.

(c) Property damage and liability insurance premiums included in finance charge

Charges or premiums for insurance, written in connection with any consumer credit transaction, against loss of or damage to property or against liability arising out of the ownership or use of property, shall be included in the finance charge unless a clear and specific statement in writing is furnished by the creditor to the person to whom the credit is extended, setting forth the cost of the insurance if obtained from or through the creditor, and stating that the person to whom the credit is extended may choose the person through which the insurance is to be obtained.

(d) Items exempted from computation of finance charge in all credit transactions

If any of the following items is itemized and disclosed in accordance with the regulations of the Bureau in connection with any transaction, then the creditor need not include that item in the computation of the finance charge with respect to that transaction:

(1) Fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to the credit transaction.

(2) The premium payable for any insurance in lieu of perfecting any security interest otherwise required by the creditor in connection with the transaction, if the premium does not exceed the fees and charges described in paragraph (1) which would otherwise be payable.

(3) Any tax levied on security instruments or on documents evidencing indebtedness if the payment of such taxes is a precondition for recording the instrument securing the evidence of indebtedness.

(e) Items exempted from computation of finance charge in extensions of credit secured by an interest in real property

The following items, when charged in connection with any extension of credit secured by an interest in real property, shall not be included in the computation of the finance charge with respect to that transaction:

(1) Fees or premiums for title examination, title insurance, or similar purposes.

(2) Fees for preparation of loan-related documents.

(3) Escrows for future payments of taxes and insurance.

(4) Fees for notarizing deeds and other documents.

(5) Appraisal fees, including fees related to any pest infestation or flood hazard inspections conducted prior to closing.

(6) Credit reports.

(f) Tolerances for accuracy

In connection with credit transactions not under an open end credit plan that are secured by real property or a dwelling, the disclosure of the finance charge and other disclosures affected by any finance charge--

(1) shall be treated as being accurate for purposes of this subchapter if the amount disclosed as the finance charge--

(A) does not vary from the actual finance charge by more than \$100; or

(B) is greater than the amount required to be disclosed under this subchapter; and

(2) shall be treated as being accurate for purposes of section 1635 of this title if--

(A) except as provided in subparagraph (B), the amount disclosed as the finance charge does not vary from the actual finance charge by more than an amount equal to one-half of one percent of the total amount of credit extended; or

(B) in the case of a transaction, other than a mortgage referred to in section 1602(aa) of this title, which--

(i) is a refinancing of the principal balance then due and any accrued and unpaid finance charges of a residential mortgage transaction as defined in section 1602(w) of this title, or is any subsequent refinancing of such a transaction; and

(ii) does not provide any new consolidation or new advance;

if the amount disclosed as the finance charge does not vary from the actual finance charge by more than an amount equal to one percent of the total amount of credit extended.

CREDIT(S)

(Pub.L. 90-321, Title I, § 106, May 29, 1968, 82 Stat. 148; Pub.L. 96-221, Title VI, § 606, Mar. 31, 1980, 94 Stat. 170; Pub.L. 104-29, §§ 2(a), (b)(1), (c) to (e), 3(a), Sept. 30, 1995, 109 Stat. 271, 272; Pub.L. 111-203, Title X, § 1100A(2), July 21, 2010, 124 Stat. 2107.)

15 U.S.C.A. § 1605, 15 USCA § 1605

Current through P.L. 119-88. Some statute sections may be more current, see credits for details.

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15 U.S.C.A. § 1606

§ 1606. Determination of annual percentage rate

Effective: July 21, 2011

Currentness

(a) “Annual percentage rate” defined

The annual percentage rate applicable to any extension of consumer credit shall be determined, in accordance with the regulations of the Bureau,

(1) in the case of any extension of credit other than under an open end credit plan, as

(A) that nominal annual percentage rate which will yield a sum equal to the amount of the finance charge when it is applied to the unpaid balances of the amount financed, calculated according to the actuarial method of allocating payments made on a debt between the amount financed and the amount of the finance charge, pursuant to which a payment is applied first to the accumulated finance charge and the balance is applied to the unpaid amount financed; or

(B) the rate determined by any method prescribed by the Bureau as a method which materially simplifies computation while retaining reasonable accuracy as compared with the rate determined under subparagraph (A).¹

(2) in the case of any extension of credit under an open end credit plan, as the quotient (expressed as a percentage) of the total finance charge for the period to which it relates divided by the amount upon which the finance charge for that period is based, multiplied by the number of such periods in a year.

(b) Computation of rate of finance charges for balances within a specified range

Where a creditor imposes the same finance charge for balances within a specified range, the annual percentage rate shall be computed on the median balance within the range, except that if the Bureau determines that a rate so computed would not be meaningful, or would be materially misleading, the annual percentage rate shall be computed on such other basis as the Bureau may by regulation require.

(c) Allowable tolerances for purposes of compliance with disclosure requirements

§ 1606. Determination of annual percentage rate, 15 USCA § 1606

The disclosure of an annual percentage rate is accurate for the purpose of this subchapter if the rate disclosed is within a tolerance not greater than one-eighth of 1 per centum more or less than the actual rate or rounded to the nearest one-fourth of 1 per centum. The Bureau may allow a greater tolerance to simplify compliance where irregular payments are involved.

(d) Use of rate tables or charts having allowable variance from determined rates

The Bureau may authorize the use of rate tables or charts which may provide for the disclosure of annual percentage rates which vary from the rate determined in accordance with subsection (a)(1)(A) by not more than such tolerances as the Bureau may allow. The Bureau may not allow a tolerance greater than 8 per centum of that rate except to simplify compliance where irregular payments are involved.

(e) Authorization of tolerances in determining annual percentage rates

In the case of creditors determining the annual percentage rate in a manner other than as described in subsection (d), the Bureau may authorize other reasonable tolerances.

CREDIT(S)

(Pub.L. 90-321, Title I, § 107, May 29, 1968, 82 Stat. 149; Pub.L. 96-221, Title VI, § 607, Mar. 31, 1980, 94 Stat. 170; Pub.L. 111-203, Title X, § 1100A(2), July 21, 2010, 124 Stat. 2107.)

Footnotes

1 So in original.

15 U.S.C.A. § 1606, 15 USCA § 1606

Current through P.L. 119-88. Some statute sections may be more current, see credits for details.

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15 U.S.C.A. § 1607

§ 1607. Administrative enforcement

Currentness

(a) Enforcing agencies

Subject to subtitle B of the Consumer Financial Protection Act of 2010, compliance with the requirements imposed under this subchapter shall be enforced under--

(1) section 8 of the Federal Deposit Insurance Act by the appropriate Federal banking agency, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), with respect to--

(A) national banks, Federal savings associations, and Federal branches and Federal agencies of foreign banks;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act; and

(C) banks and State savings associations insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), and insured State branches of foreign banks;

(2) the Federal Credit Union Act, by the Director of the National Credit Union Administration, with respect to any Federal credit union;

(3) part A of subtitle VII of Title 49, by the Secretary of Transportation, with respect to any air carrier or foreign air carrier subject to that part;

(4) the Packers and Stockyards Act, 1921 (except as provided in section 406 of that Act), by the Secretary of Agriculture, with respect to any activities subject to that Act;

(5) the Farm Credit Act of 1971, by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association; and

(6) subtitle E of the Consumer Financial Protection Act of 2010, by the Bureau, with respect to any person subject to this subchapter.

(7) sections 21B and 21C of the Securities Exchange Act of 1934, in the case of a broker or dealer, other than a depository institution, by the Securities and Exchange Commission.

(b) Violations of this subchapter deemed violations of pre-existing statutory requirements; additional agency powers

For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this subchapter shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this subchapter, any other authority conferred on it by law.

(c) Overall enforcement authority of the Federal Trade Commission

Except to the extent that enforcement of the requirements imposed under this subchapter is specifically committed to some other Government agency under any of paragraphs (1) through (5) of subsection (a), and subject to subtitle B of the Consumer Financial Protection Act of 2010, the Federal Trade Commission shall be authorized to enforce such requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed under this subchapter shall be deemed a violation of a requirement imposed under that Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Federal Trade Commission to enforce compliance by any person with the requirements under this subchapter, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests under the Federal Trade Commission Act.

(d) Rules and regulations

The authority of the Bureau to issue regulations under this subchapter does not impair the authority of any other agency designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this subchapter.

(e) Adjustment of finance charges; procedures applicable, coverage, criteria, etc.

(1) In carrying out its enforcement activities under this section, each agency referred to in subsection (a) or (c), in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and is authorized in accordance with the provisions of this subsection to require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower. For the purposes of this subsection, except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in determining whether a disclosure error has occurred and in calculating any adjustment, (A) each agency shall apply (i) with respect to the annual percentage rate, a tolerance of one-quarter of 1 percent more or less than the actual rate, determined without regard to section 1606(c) of this title, and (ii) with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerance provided under this subsection for the annual percentage rate; except that (B) with respect to transactions consummated after two years following March 31, 1980,

each agency shall apply (i) for transactions that have a scheduled amortization of ten years or less, with respect to the annual percentage rate, a tolerance not to exceed one-quarter of 1 percent more or less than the actual rate, determined without regard to section 1606(c) of this title, but in no event a tolerance of less than the tolerances allowed under section 1606(c) of this title, (ii) for transactions that have a scheduled amortization of more than ten years, with respect to the annual percentage rate, only such tolerances as are allowed under section 1606(c) of this title, and (iii) for all transactions, with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerances provided under this subsection for the annual percentage rate.

(2) Each agency shall require such an adjustment when it determines that such disclosure error resulted from (A) a clear and consistent pattern or practice of violations, (B) gross negligence, or (C) a willful violation which was intended to mislead the person to whom the credit was extended. Notwithstanding the preceding sentence, except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, an agency need not require such an adjustment if it determines that such disclosure error--

(A) resulted from an error involving the disclosure of a fee or charge that would otherwise be excludable in computing the finance charge, including but not limited to violations involving the disclosures described in sections 1605(b), (c) and (d) of this title, in which event the agency may require such remedial action as it determines to be equitable, except that for transactions consummated after two years after March 31, 1980, such an adjustment shall be ordered for violations of section 1605(b) of this title;

(B) involved a disclosed amount which was 10 per centum or less of the amount that should have been disclosed and (i) in cases where the error involved a disclosed finance charge, the annual percentage rate was disclosed correctly, and (ii) in cases where the error involved a disclosed annual percentage rate, the finance charge was disclosed correctly; in which event the agency may require such adjustment as it determines to be equitable;

(C) involved a total failure to disclose either the annual percentage rate or the finance charge, in which event the agency may require such adjustment as it determines to be equitable; or

(D) resulted from any other unique circumstance involving clearly technical and nonsubstantive disclosure violations that do not adversely affect information provided to the consumer and that have not misled or otherwise deceived the consumer.

In the case of other such disclosure errors, each agency may require such an adjustment.

(3) Notwithstanding paragraph (2), no adjustment shall be ordered--

(A) if it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the agency may--

(i) require a partial adjustment in an amount which does not have such an impact; or

(ii) require the full adjustment, but permit the creditor to make the required adjustment in partial payments over an extended period of time which the agency considers to be reasonable, if (in the case of an agency referred to in paragraph (1), (2), or (3) of subsection (a)), the agency determines that a partial adjustment or making partial payments over an extended

period is necessary to avoid causing the creditor to become undercapitalized pursuant to section 38 of the Federal Deposit Insurance Act:

(B) the¹ amount of the adjustment would be less than \$1, except that if more than one year has elapsed since the date of the violation, the agency may require that such amount be paid into the Treasury of the United States, or

(C) except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two years after the violation, or in the case of any other extension of credit, as follows:

(i) with respect to creditors that are subject to examination by the agencies referred to in paragraphs (1) through (3) of subsection (a) of this section, except in connection with violations arising from practices identified in the current examination and only in connection with transactions that are consummated after the date of the immediately preceding examination, except that where practices giving rise to violations identified in earlier examinations have not been corrected, adjustments for those violations shall be required in connection with transactions consummated after the date of examination in which such practices were first identified;

(ii) with respect to creditors that are not subject to examination by such agencies, except in connection with transactions that are consummated after May 10, 1978; and

(iii) in no event after the later of (I) the expiration of the life of the credit extension, or (II) two years after the agreement to extend credit was consummated.

(4)(A) Notwithstanding any other provision of this section, an adjustment under this subsection may be required by an agency referred to in subsection (a) or (c) only by an order issued in accordance with cease and desist procedures provided by the provision of law referred to in such subsections.

(B) In case of an agency which is not authorized to conduct cease and desist proceedings, such an order may be issued after an agency hearing on the record conducted at least thirty but not more than sixty days after notice of the alleged violation is served on the creditor. Such a hearing shall be deemed to be a hearing which is subject to the provisions of section 8(h) of the Federal Deposit Insurance Act and shall be subject to judicial review as provided therein.

(5) Except as otherwise specifically provided in this subsection and notwithstanding any provision of law referred to in subsection (a) or (c), no agency referred to in subsection (a) or (c) may require a creditor to make dollar adjustments for errors in any requirements under this subchapter, except with regard to the requirements of section 1666d of this title.

(6) A creditor shall not be subject to an order to make an adjustment, if within sixty days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedures, the creditor notifies the person concerned of the error and adjusts the account so as to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

(7) Notwithstanding the second sentence of subsection (c)(1), subsection (c)(3)(C)(i), and subsection (c)(3)(C)(ii), each agency referred to in subsection (a) or (c) shall require an adjustment for an annual percentage rate disclosure error that exceeds a tolerance of one quarter of one percent less than the actual rate, determined without regard to section 1606(c) of this title, with respect to any transaction consummated between January 1, 1977, and March 31, 1980.

CREDIT(S)

(Pub.L. 90-321, Title I, § 108, May 29, 1968, 82 Stat. 150; Pub.L. 91-206, § 3, Mar. 10, 1970, 84 Stat. 49; Pub.L. 93-495, Title IV, § 403, Oct. 28, 1974, 88 Stat. 1517; Pub.L. 95-630, Title V, § 501, Nov. 10, 1978, 92 Stat. 3680; Pub.L. 96-221, Title VI, § 608(a), (c), Mar. 21, 1980, 94 Stat. 171, 173; Pub.L. 98-443, § 9(n), Oct. 4, 1984, 98 Stat. 1708; Pub.L. 101-73, Title VII, § 744(k), Aug. 9, 1989, 103 Stat. 439; Pub.L. 102-242, Title II, § 212(b), Dec. 19, 1991, 105 Stat. 2299; Pub.L. 102-550, Title XVI, § 1604(a)(5), Oct. 28, 1992, 106 Stat. 4082; Pub.L. 104-208, Div. A, Title II, § 2106, Sept. 30, 1996, 110 Stat. 3009-402; Pub.L. 111-203, Title X, § 1100A(2), (8), Title XIV, § 1414(b), July 21, 2010, 124 Stat. 2107, 2108, 2152.)

Footnotes

1 So in original. Probably should be preceded by "if".

15 U.S.C.A. § 1607, 15 USCA § 1607

Current through P.L. 119-88. Some statute sections may be more current, see credits for details.

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15 U.S.C.A. § 1608

§ 1608. Views of other agencies

Effective: July 21, 2011

Currentness

In the exercise of its functions under this subchapter, the Bureau may obtain upon requests the views of any other Federal agency which, in the judgment of the Bureau, exercises regulatory or supervisory functions with respect to any class of creditors subject to this subchapter.

CREDIT(S)

(Pub.L. 90-321, Title I, § 109, May 29, 1968, 82 Stat. 150; Pub.L. 111-203, Title X, § 1100A(2), July 21, 2010, 124 Stat. 2107.)

15 U.S.C.A. § 1608, 15 USCA § 1608

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15 U.S.C.A. § 1609

§ 1609. Repealed. Pub.L. 94-239, § 3(b)(1), Mar. 23, 1976, 90 Stat. 253

Currentness

15 U.S.C.A. § 1609, 15 USCA § 1609

Current through P.L. 119-88. Some statute sections may be more current, see credits for details.

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15 U.S.C.A. § 1610

§ 1610. Effect on other laws

Effective: July 21, 2011

Currentness

(a) Inconsistent provisions; procedures applicable for determination

(1) Except as provided in subsection (c), this part and parts B and C, do not annul, alter, or affect the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that those laws are inconsistent with the provisions of this subchapter, and then only to the extent of the inconsistency. Upon its own motion or upon the request of any creditor, State, or other interested party which is submitted in accordance with procedures prescribed in regulations of the Bureau, the Bureau shall determine whether any such inconsistency exists. If the Bureau determines that a State-required disclosure is inconsistent, creditors located in that State may not make disclosures using the inconsistent term or form, and shall incur no liability under the law of that State for failure to use such term or form, notwithstanding that such determination is subsequently amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

(2) Upon its own motion or upon the request of any creditor, State, or other interested party which is submitted in accordance with procedures prescribed in regulations of the Bureau, the Bureau shall determine whether any disclosure required under the law of any State is substantially the same in meaning as a disclosure required under this subchapter. If the Bureau determines that a State-required disclosure is substantially the same in meaning as a disclosure required by this subchapter, then creditors located in that State may make such disclosure in compliance with such State law in lieu of the disclosure required by this subchapter, except that the annual percentage rate and finance charge shall be disclosed as required by section 1632 of this title, and such State-required disclosure may not be made in lieu of the disclosures applicable to certain mortgages under section 1639 of this title.

(b) State credit charge statutes

Except as provided in section 1639 of this title, this subchapter does not otherwise annul, alter or affect in any manner the meaning, scope or applicability of the laws of any State, including, but not limited to, laws relating to the types, amounts or rates of charges, or any element or elements of charges, permissible under such laws in connection with the extension or use of credit, nor does this subchapter extend the applicability of those laws to any class of persons or transactions to which they would not otherwise apply. The provisions of section 1639 of this title do not annul, alter, or affect the applicability of the laws of any State or exempt any person subject to the provisions of section 1639 of this title from complying with the laws of any State, with respect to the requirements for mortgages referred to in section 1602(aa) of this title, except to the extent that those State laws are inconsistent with any provisions of section 1639 of this title, and then only to the extent of the inconsistency.

(c) Disclosure as evidence

In any action or proceeding in any court involving a consumer credit sale, the disclosure of the annual percentage rate as required under this subchapter in connection with that sale may not be received as evidence that the sale was a loan or any type of transaction other than a credit sale.

(d) Contract or other obligations under State or Federal law

Except as specified in sections 1635, 1640, and 1666e of this title, this subchapter and the regulations issued thereunder do not affect the validity or enforceability of any contract or obligation under State or Federal law.

(e) Certain credit and charge card application and solicitation disclosure provisions

The provisions of subsection (c) of section 1632 of this title and subsections (c), (d), (e), and (f) of section 1637 of this title shall supersede any provision of the law of any State relating to the disclosure of information in any credit or charge card application or solicitation which is subject to the requirements of section 1637(c) of this title or any renewal notice which is subject to the requirements of section 1637(d) of this title, except that any State may employ or establish State laws for the purpose of enforcing the requirements of such sections.

CREDIT(S)

(Pub.L. 90-321, Title I, § 111, May 29, 1968, 82 Stat. 151; Pub.L. 93-495, Title III, § 307(b), Oct. 28, 1974, 88 Stat. 1516; Pub.L. 96-221, Title VI, § 609, Mar. 31, 1980, 94 Stat. 173; Pub.L. 100-583, § 4, Nov. 3, 1988, 102 Stat. 2967; Pub.L. 103-325, Title I, § 152(c)(2)(B), (C), Sept. 23, 1994, 108 Stat. 2194; Pub.L. 111-203, Title X, § 1100A(2), July 21, 2010, 124 Stat. 2107.)

15 U.S.C.A. § 1610, 15 USCA § 1610

Current through P.L. 119-88. Some statute sections may be more current, see credits for details.

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15 U.S.C.A. § 1611

§ 1611. Criminal liability for willful and knowing violation

Effective: July 21, 2011

Currentness

Whoever willfully and knowingly

(1) gives false or inaccurate information or fails to provide information which he is required to disclose under the provisions of this subchapter or any regulation issued thereunder,

(2) uses any chart or table authorized by the Bureau under section 1606 of this title in such a manner as to consistently understate the annual percentage rate determined under section 1606(a)(1)(A) of this title, or

(3) otherwise fails to comply with any requirement imposed under this subchapter,

shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

CREDIT(S)

(Pub.L. 90-321, Title I, § 112, May 29, 1968, 82 Stat. 151; Pub.L. 111-203, Title X, § 1100A(2), July 21, 2010, 124 Stat. 2107.)

15 U.S.C.A. § 1611, 15 USCA § 1611

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15 U.S.C.A. § 1612

§ 1612. Effect on government agencies

Effective: July 21, 2011

Currentness

(a) Consultation requirements respecting compliance of credit instruments issued to participating creditor

Any department or agency of the United States which administers a credit program in which it extends, insures, or guarantees consumer credit and in which it provides instruments to a creditor which contain any disclosures required by this subchapter shall, prior to the issuance or continued use of such instruments, consult with the Bureau to assure that such instruments comply with this subchapter.

(b) Inapplicability of Federal civil or criminal penalties to Federal, State, and local agencies

No civil or criminal penalty provided under this subchapter for any violation thereof may be imposed upon the United States or any department or agency thereof, or upon any State or political subdivision thereof, or any agency of any State or political subdivision.

(c) Inapplicability of Federal civil or criminal penalties to participating creditor where violating instrument issued by United States

A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under this subchapter in any case in which the violation results from the use of an instrument required by any such department or agency.

(d) Applicability of State penalties to violations by participating creditor

A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under the laws of any State (other than laws determined under section 1610 of this title to be inconsistent with this subchapter) for any technical or procedural failure, such as a failure to use a specific form, to make information available at a specific place on an instrument, or to use a specific typeface, as required by State law, which is caused by the use of an instrument required to be used by such department or agency.

CREDIT(S)

(Pub.L. 90-321, Title I, § 113, May 29, 1968, 82 Stat. 151; Pub.L. 96-221, Title VI, § 622(a), Mar. 31, 1980, 94 Stat. 184; Pub.L. 111-203, Title X, § 1100A(2), July 21, 2010, 124 Stat. 2107.)

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15 U.S.C.A. § 1613

§ 1613. Annual reports to Congress by Bureau

Effective: July 21, 2011

Currentness

Each year the Bureau shall make a report to the Congress concerning the administration of its functions under this subchapter, including such recommendations as the Bureau deems necessary or appropriate. In addition, each report of the Bureau shall include its assessment of the extent to which compliance with the requirements imposed under this subchapter is being achieved.

CREDIT(S)

(Pub.L. 90-321, Title I, § 114, May 29, 1968, 82 Stat. 151; Pub.L. 96-221, Title VI, § 610(a), Mar. 31, 1980, 94 Stat. 174; Pub.L. 97-375, Title II, § 209(b), Dec. 21, 1982, 96 Stat. 1825; Pub.L. 111-203, Title X, § 1100A(2), July 21, 2010, 124 Stat. 2107.)

15 U.S.C.A. § 1613, 15 USCA § 1613

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15 U.S.C.A. § 1614

§ 1614. Repealed. Pub.L. 96-221, Title VI, § 616(b), Mar. 31, 1980, 94 Stat. 182

Currentness

15 U.S.C.A. § 1614, 15 USCA § 1614

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15 U.S.C.A. § 1615

§ 1615. Prohibition on use of "Rule of 78's" in connection with mortgage refinancings and other consumer loans

Currentness

(a) Prompt refund of unearned interest required

(1) In general

If a consumer prepays in full the financed amount under any consumer credit transaction, the creditor shall promptly refund any unearned portion of the interest charge to the consumer.

(2) Exception for refund of de minimus amount

No refund shall be required under paragraph (1) with respect to the prepayment of any consumer credit transaction if the total amount of the refund would be less than \$1.

(3) Applicability to refinanced transactions and acceleration by the creditor

This subsection shall apply with respect to any prepayment of a consumer credit transaction described in paragraph (1) without regard to the manner or the reason for the prepayment, including--

(A) any prepayment made in connection with the refinancing, consolidation, or restructuring of the transaction; and

(B) any prepayment made as a result of the acceleration of the obligation to repay the amount due with respect to the transaction.

(b) Use of "Rule of 78's" prohibited

For the purpose of calculating any refund of interest required under subsection (a) for any precomputed consumer credit transaction of a term exceeding 61 months which is consummated after September 30, 1993, the creditor shall compute the refund based on a method which is at least as favorable to the consumer as the actuarial method.

(c) Statement of prepayment amount

(1) In general

Before the end of the 5-day period beginning on the date an oral or written request is received by a creditor from a consumer for the disclosure of the amount due on any precomputed consumer credit account, the creditor or assignee shall provide the consumer with a statement of--

(A) the amount necessary to prepay the account in full; and

(B) if the amount disclosed pursuant to subparagraph (A) includes an amount which is required to be refunded under this section with respect to such prepayment, the amount of such refund.

(2) Written statement required if request is in writing

If the customer's request is in writing, the statement under paragraph (1) shall be in writing.

(3) 1 free annual statement

A consumer shall be entitled to obtain 1 statement under paragraph (1) each year without charge.

(4) Additional statements subject to reasonable fees

Any creditor may impose a reasonable fee to cover the cost of providing any statement under paragraph (1) to any consumer in addition to the 1 free annual statement required under paragraph (3) if the amount of the charge for such additional statement is disclosed to the consumer before furnishing such statement.

(d) Definitions

For the purpose of this section--

(1) Actuarial method

The term "actuarial method" means the method of allocating payments made on a debt between the amount financed and the finance charge pursuant to which a payment is applied first to the accumulated finance charge and any remainder is subtracted from, or any deficiency is added to, the unpaid balance of the amount financed.

(2) Consumer, credit

The terms "consumer" and "creditor" have the meanings given to such terms in section 1602 of this title.

(3) Creditor

The term "creditor"--

(A) has the meaning given to such term in section 1602 of this title; and

(B) includes any assignee of any creditor with respect to credit extended in connection with any consumer credit transaction and any subsequent assignee with respect to such credit.

CREDIT(S)

(Pub.L. 102-550, Title IX, § 933, Oct. 28, 1992, 106 Stat. 3891.)

Footnotes

1 So in original. Probably should be "de minimis".

15 U.S.C.A. § 1615, 15 USCA § 1615

Current through P.L. 119-88. Some statute sections may be more current, see credits for details.

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15 U.S.C.A. § 1616

§ 1616. Board review of consumer credit plans and regulations

Currentness

(a) Required review

Not later than 2 years after the effective date of this Act and every 2 years thereafter, except as provided in subsection (c)(2), the Board shall conduct a review, within the limits of its existing resources available for reporting purposes, of the consumer credit card market, including--

- (1) the terms of credit card agreements and the practices of credit card issuers;
- (2) the effectiveness of disclosure of terms, fees, and other expenses of credit card plans;
- (3) the adequacy of protections against unfair or deceptive acts or practices relating to credit card plans; and
- (4) whether or not, and to what extent, the implementation of this Act and the amendments made by this Act has affected--
 - (A) cost and availability of credit, particularly with respect to non-prime borrowers;
 - (B) the safety and soundness of credit card issuers;
 - (C) the use of risk-based pricing; or
 - (D) credit card product innovation.

(b) Solicitation of public comment

In connection with conducting the review required by subsection (a), the Board shall solicit comment from consumers, credit card issuers, and other interested parties, such as through hearings or written comments.

(c) Regulations

(1) Notice

Following the review required by subsection (a), the Board shall publish a notice in the Federal Register that--

(A) summarizes the review, the comments received from the public solicitation, and other evidence gathered by the Board, such as through consumer testing or other research; and

(B) either--

(i) proposes new or revised regulations or interpretations to update or revise disclosures and protections for consumer credit cards, as appropriate; or

(ii) states the reason for the determination of the Board that new or revised regulations are not necessary.

(2) Revision of review period following material revision of regulations

In the event that the Board materially revises regulations on consumer credit card plans, a review need not be conducted until 2 years after the effective date of the revised regulations, which thereafter shall be treated as the new date for the biennial review required by subsection (a).

(d) Board report to the Congress

The Board shall report to Congress not less frequently than every 2 years, except as provided in subsection (c)(2), on the status of its most recent review, its efforts to address any issues identified from the review, and any recommendations for legislation.

(e) Additional reporting

The Federal banking agencies (as that term is defined in section 1813 of Title 12) and the Federal Trade Commission shall provide annually to the Board, and the Board shall include in its annual report to Congress under section 247 of Title 12, information about the supervisory and enforcement activities of the agencies with respect to compliance by credit card issuers with applicable Federal consumer protection statutes and regulations, including--

(1) this Act, the amendments made by this Act, and regulations prescribed under this Act and such amendments; and

(2) section 5 of the Federal Trade Commission Act, and regulations prescribed under the Federal Trade Commission Act, including part 227 of title 12 of the Code of Federal Regulations, as prescribed by the Board (referred to as "Regulation AA").

CREDIT(S)

(Pub.L. 111-24, Title V, § 502, May 22, 2009, 123 Stat. 1755.)