

REPOSSESSIONS

In order for a lender to repossess, or take back, the property: (1) it must be collateral for the loan and (2) you must have defaulted on your contract. Your rights and the lender's rights when it comes to default are laid out in the contract you signed and in SC law. Usually, default includes the failure to make a payment on time or failing to keep insurance on a vehicle.

If you don't make timely payments, the lender must send you a "Notice of Right to Cure" before repossessing the property. After the lender sends the notice you have twenty (20) days to make the missed payment(s).

Did you make the loan current by paying any missed payments within 20 days?

YES



The property will not be repossessed.

REMEMBER:

You may not receive another Right to Cure notice, depending on your type of loan. (see below)

NO



Your lender can repossess the property and sell it to pay your loan.

You could be responsible for paying any amount not repaid by selling the collateral.

A "Right to Cure" notice is not required before repossession if you:

- (1) Are in default for any reason other than missing a payment; or
- (2) Voluntarily surrender the collateral.

CAUTION: If you miss another payment, you will not receive any additional Right to Cure notices, unless you renew your account or it is a revolving account.

COMPLAINTS

If you have a problem with your lender, file a complaint with the lender's home office. If you don't receive the response you desire, file a complaint with the Department of Consumer Affairs using the information below.

COMPANY OFFICE



SC Department of Consumer Affairs

293 Greystone Blvd. • PO Box 5757
Columbia, SC 29250
(800) 922-1594
www.consumer.sc.gov



**SC Board of Financial Institutions,
Consumer Finance Division**

1205 Pendleton St. • Columbia, SC 29201
STE. 306 • Edgar Brown Building
(803) 734-2020
www.consumerfinance.sc.gov

CONSUMER LOANS: *Your Rights and Responsibilities*

LENDER

LENDER'S OFFICE

This pamphlet is meant to serve as a summary of your rights and responsibilities under this loan. It is not a complete review of the laws that apply. For more information on your rights, contact the South Carolina Department of Consumer Affairs.

IMPORTANT DEFINITIONS



AMOUNT FINANCED

This is how much money you are actually borrowing. It includes the cash you get plus any other payments or payoffs of another loan and any type of credit insurance you have purchased.

ANNUAL PERCENTAGE RATE (APR)

This is the cost of your loan stated as a yearly rate. All lenders must calculate the APR the same way so you can compare different loans and determine which is the best deal for you.

BALANCE

The amount of money you currently owe a lender.

COLLATERAL

Items such as cars, boats, and jewelry you allow a lender to have a lien on so you can get credit.

CANNOT be: your furniture, other than antiques, appliances, radio or television (unless you own more than one), or wedding rings UNLESS the lender finances the purchase of the item(s).

CREDIT INSURANCE

There are several types of credit insurance. Credit Life, Credit Accident and Health, and Credit Property are a few. If credit insurance is purchased with a loan, a policy must be given to you outlining the coverage. To file a claim for benefits on credit insurance, ask your lender for a claim form and instructions on how to complete.

DEBTOR

A person who owes a lender money.

FINANCE CHARGE

This tells you how much the loan costs you in dollars and cents. You may be able to save some money if you pay off your loan early.

LATE CHARGES

If you do not make your payments on time you can be charged a late charge. Ask your lender or refer to your loan papers for details about this charge, including the amount.

LENDER

The person or company to whom you owe money.

LOAN RENEWALS

If you and your lender agree, you can renew your loan. Renewing a loan means you are taking out a **NEW** loan. You will pay finance charges again. Generally, when you renew a loan of \$1,000 or less, you must be able to receive at least ten percent (10%) of the payoff amount of your old loan in cash.

MINIMUM PAYMENT

The amount of money a debtor must pay a lender to avoid late penalties and fees.

REFINANCE

Replacing an older loan with a new loan that may offer better terms.

REPOSSESS

When a lender takes collateral the lien is on - with or without a court order.

TOTAL OF PAYMENTS

This is how much you will pay for your loan if you make all payments as stated in your contract.

WHAT A LENDER CAN'T DO

- Threaten use of force, violence or criminal prosecution against you.
- Contact you at work if you or your boss told them in writing not to do so.
- Communicate with you before 8:00 am or after 9:00 pm (without your permission).
- Tell anyone not signed on the contract that you have not paid.
- Put a notice about your debt on your door (unless it is sealed in a plain envelope).
- Swear or curse at you.
- Have money you owe taken out of your pay, or threaten to do so.
- Communicate with you many times in a short period of time.
- Pretend to be an attorney.
- Contact you if you are represented by an attorney and the lender is aware of this, unless the attorney fails to respond to the lender.

➔ If you do not want a lender to contact you, send them a letter, certified mail return receipt requested, asking them to stop. Beware, that stopping all contact with the lender may force them to take legal action.

“CONSUMER LOANS: YOUR RIGHTS AND RESPONSIBILITIES” PAMPHLET

This pamphlet is developed by SCDCA pursuant to § 37-6-117(j), which provides that the Administrator shall:

develop a written pamphlet that explains the rights and responsibilities of consumers who obtain from a licensed lender consumer loans under this title and Title 34 for distribution in all licensed consumer loan offices. Such pamphlet shall include the names, addresses, and telephone numbers of state agencies responsible for enforcing the provisions of this title and Title 34. Such pamphlet shall be given to a consumer at the time the initial loan by a licensed lender is made whenever the amount financed is two thousand dollars or less and shall be readily available to all consumers at all times in each licensed consumer loan office. The administrator shall consult with, and seek input from representatives of consumers, the consumer finance industry, and the Director of the Consumer Finance Division of the Board of Financial Institutions. Each licensed lender shall be responsible for reproducing and distributing the pamphlet finally approved and authorized by the administrator. The pamphlet developed under this subsection shall be provided to consumers as of January 1, 1996.

Who must provide the pamphlet?

The lender licensed to offer consumer loans under Title 37 and Title 34 must provide the pamphlet.

When must the pamphlet be provided?

The pamphlet must be provided at the time the initial loan is made whenever the amount financed is \$2,000 or less. It also must be available to all consumers at all times in each licensed consumer loan office.

Does the pamphlet have to be posted on the lender’s website?

The pamphlet must be clearly posted on licensed URLs (websites) in a downloadable and printable format. It is recommended that the pamphlet be posted on unlicensed websites of licensed lenders as well.

If the pamphlet is posted on the lender’s website, does the lender also have to mail a copy to the consumer?

If the consumer loan is made through a licensed URL (website), then the lender will be in compliance as long as the pamphlet is clearly posted on the licensed website in a downloadable and printable format.

If the consumer loan is made at a physical location, the lender must provide the pamphlet to the consumer; the lender cannot refer the consumer to the lender’s website.

Does the pamphlet have to be printed in color?

No. A black and white pamphlet is sufficient for compliance.

When the pamphlet is printed, does the watermark of the clock and dollar bills have to appear on the pamphlet?

The lender will be in compliance even if the watermark does not appear on the printed pamphlet.

Which version of the pamphlet should the lender provide?

The latest version of the pamphlet was issued in July 2015. It is available on SCDCA's website: http://www.consumer.sc.gov/Documents/Legal/Registered_Creditors/ConsumerLoansFAQs.pdf

The target date to begin using this version is August 1, 2015. However, there is a 90-day grace period during which lenders are allowed to use their stock of the previous version instead. Beginning November 1, 2015, lenders will be cited for violations if they fail to provide the July 2015 version of the pamphlet.

What information should the lender provide in the "LENDER" box on the pamphlet?

- Company name
- Headquarters address
- Headquarters telephone number

What information should the lender provide in the "LENDER'S OFFICE" box on the pamphlet?

- Branch name, address, and telephone number
- OR*
- Licensed URL (website address)

What information should the lender provide in the "COMPANY OFFICE" box on the pamphlet?

- Complaint contact address
- Complaint contact telephone number