

Blackfeet Tribal Law and Order Code

Circa 1999

CONSUMER PROTECTION

Chapter 4

TRUTH IN LENDING

Section 1. Purpose.

The purpose of this Chapter is to insure the meaningful disclosure of credit terms so that consumers may compare the alternatives available to them and use credit in an informed manner, and to protect consumers against inaccurate and unfair credit billing.

Section 2. Jurisdiction.

The Blackfeet Tribe of Indians shall have jurisdiction over any creditor with respect to any conduct of the creditor subject to this Chapter or with respect to any claim arising from a transaction subject to this Chapter where not prohibited by federal law.

Section 3. Definitions.

- A. "Billing cycle" means the interval between the days or dates of regular periodic statements.
- B. "Credit" means the right to defer payment of debt or to incur debt and defer its payment.
- C. "Open-end credit" means consumer credit extended by a creditor under a plan in which:

- i. the creditor reasonably contemplates repeated transactions;
 - ii. the creditor may impose a finance charge from time to time on an outstanding unpaid balance; and
 - iii. the amount of credit that may be extended to the consumer during the term of the plan (up to any limit set by the creditor) is generally made available to the extent that any outstanding balance is repaid.
- D. "Periodic rate" means a rate of finance charge that is or may be imposed by a creditor on a balance for a day, week, month, or other time period.
- E. "Security interest" means an interest in property that secures performance of a consumer credit obligation.

Section 4. Exempted Transactions.

This Chapter does not apply to the following:

- A. Credit transactions involving extensions of credit primarily for business or commercial purposes.
- B. Credit transactions other than those involving real or personal property used as the principal dwelling of the consumer in which the total amount financed exceeds fifty thousand dollars (\$50,000.00).

Section 5. Disclosure Statement - Open-End Credit.

- A. Before the opening of any account under an open-end consumer credit plan, the creditor shall disclose in writing in a clear and conspicuous manner to the consumer each of the following items:
 - 1. the conditions under which a finance charge may be imposed, including the time period within which any credit extended may be repaid without incurring a finance charge;
 - 2. the method of determining the balance upon which a finance charge will be imposed;
 - 3. the method of determining the amount of the finance charge;
 - 4. the periodic rate or rates used to compute the finance charge and the balances to which they will apply, and the corresponding

- annual percentage rate;
 5. identification of any other charges and their method of calculation;
 6. if the credit is secured, a statement of what property will be taken as security; and
 7. a statement setting out the protection provided by Section 9 of this Chapter.
- B. For each billing cycle, the creditor shall send to the consumer a statement setting forth the following:
1. the outstanding balance of the account at the beginning of the statement period;
 2. the amount and date of each extension of credit;
 3. the total amount credited to the account during the period;
 4. the amount of any finance charge added to the account during the period;
 5. the periodic rate or rates charged, the corresponding annual percentage rate, and the balances against which they are applied;
 6. the balance on which the finance charge was computed and a statement of how the balance was determined, including whether the balance is determined without first deducting all credits during the period;
 7. the outstanding balance of the account at the end of the period;
 8. the date by which payment must be made to avoid additional finance charges, if any; and
 9. the address to be used by the creditor for the purpose of receiving billing inquiries.

Section 6. Disclosure Statement - All Other Credit Transactions.

- A. For each credit transaction other than under an open-end credit plan, the creditor shall disclose in writing in a clear and conspicuous manner to the consumer before the credit is extended, the following items:
1. the identity of the creditor;
 2. the amount financed which shall be computed as follows:

- a. take the principal amount of the loan or the cash price less down-payment and trade-in;
 - b. add any charges which are not part of the finance charge or of the principal amount of the loan and which are financed by the consumer;
 - c. subtract any charges which are part of the finance charge but which will be paid by the consumer before or at the time of closing the transaction, or have been withheld from the proceeds of the credit.
3. the finance charge expressed as a percentage rate or rates and as an annual percentage rate;
 4. the total of payments which is the sum of the amount financed and the finance charge;
 5. the number, amount, and due dates or period of payments scheduled to repay the total of payments;
 6. in a sale of property or services, the total sales price which is the total of the cash price of the property or services, additional charges, and the finance charge;
 7. descriptive explanations of the terms "amount financed", "finance charge", "annual percentage rate", "total of payments", and "total sales price";
 8. where the credit is secured, a statement of the property in which the security interest is taken; and
 9. a description of how late payments are handled.

Section 7. Right of Rescission.

- A. In any consumer credit transaction in which a security interest is acquired in any property which is used as the principal dwelling of the person to whom credit is extended, the consumer shall have the right to rescind the transaction until midnight of the third business day following the closing of the transaction or the delivery of the disclosure and forms required by this Section by notifying the creditor of his intention to rescind. The creditor shall clearly and conspicuously disclose in writing to the consumer the right under this Section. The creditor shall also provide appropriate forms for the creditor to exercise his right to rescind.

- B. When a consumer exercises his right under this Section, he is not liable for any finance or other charges and any security interest given becomes null and void. Any money paid or property given by the consumer will be returned within twenty (20) days. If any property has been given to the consumer by the creditor, it shall be tendered to the creditor upon the performance of the creditor's obligations under this Subsection.

Section 8. Civil Liabilities.

- A. Any creditor who fails to comply with any requirement imposed by this Chapter shall be liable in an amount equal to the sum of any actual damage sustained, plus twice the amount of any finance charge in connection with the transaction
- B. A creditor shall not be liable for a violation of this Chapter if, within sixty (60) days after discovering an error, the creditor notifies the consumer of the error and makes whatever adjustments are necessary to assure that the consumer will not be required to pay an amount in excess of the charge actually disclosed.
- C. A creditor may not be liable for a violation of this Chapter if he shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedure reasonably adopted to avoid any such error.

Section 9. Credit Billing.

- A. If a consumer, within sixty (60) days after the date of a statement, notifies the creditor in writing of an error in billing, the creditor shall, within sixty (60) days of the notice:
- i. make appropriate correction to the account, including the crediting of any finance charges on amounts erroneously billed; or
 - ii. send a written explanation or clarification to the consumer after conducting an investigation, setting forth why the creditor believes the billing was correct.
- B. The notice given by the consumer shall enable the creditor to identify the name and account of the consumer, state the amount of the billing error, and the reasons why the consumer believes that the statement contains a billing error.
- C. Any creditor who fails to comply with the requirements of this Section

forfeits any right to collect from the consumer the amount of the billing error indicated in the consumer's notice and any finance charges thereon, except that the amount forfeited may not exceed fifty dollars (\$50.00). The creditor may not report the amount in dispute as delinquent to any third party, nor may the creditor report or threaten to report to any person information relating to the consumer's failure to pay the amount in dispute which would reflect on the consumer's credit rating.

Section 10. Interpretation.

In interpreting this Chapter, the Tribal Court may consult where necessary the relevant parts of Federal Reserve Board Regulation Z, 12 C.F.R. Part 226, as amended. The terms of this Title shall apply in the case of any conflict.

[Back to Top](#)