

Welcome to

# Blue Cartera

jetBlue® | 






# **Truth in Lending Act (TILA).**

**Regulation Z.**

# Truth in Lending Act (TILA).

# Objectives

**The topics that we will be discussing during this training are:**

-  Describe the purpose of Regulation Z.
-  Identify credit transactions covered under Regulation Z.
-  Explain disclosure requirements.
-  Explain marketing requirements.
-  Crewmember's roles and responsibilities.

**What is the  
Truth in  
Lending Act?**

# The Truth in Lending Act is a law designed to protect consumers

and promote the informed use of consumer credit by requiring disclosures about the cost of credit and the terms to which a credit account will be subject to.

# **This law applies during all stages of the offering, application and lifespan**

of a consumer credit product,  
such as: marketing, information  
provided before and upon  
applying for a credit product  
and during the life of the credit  
product.

# The primary purpose of Regulation Z is to make credit shopping easier

for consumers by requiring disclosures of certain credit terms in a meaningful and uniform manner. TILA also contains rules that limit or regulate certain credit practices.



**What does  
Regulation Z  
Cover?**

# Regulation Z covers a variety of credit types, including:



## Close-end credit (base maturity date)

- Personal Loans.
- Auto Loans.



## Open-end credit (no maturity date)

- Credit Cards.

# **Regulation Z applies to many aspects of the credit card products**

**from the marketing process to  
attract prospect customers,  
during the origination process  
and the account servicing  
provided throughout the life  
of the account.**



# Marketing & Applications.

- ✓ Application Disclosures.
- ✓ Solicitation Process.
- ✓ Initial Terms & Conditions of the cards must be provided.
- ✓ Advertising.



# Account Origination.

- ✓ Disclosures Terms & Conditions of the card.
- ✓ Card agreement.



# Account Servicing

Subsequent disclosures:

- ✓ Term & Conditions Changes.
- ✓ Payments & Periodic Statements.
- ✓ Dispute and Billing Error.
- ✓ Resolution Rights.



# JetBlue crewmembers will be providing support in the marketing

and applications phase covered by Regulation Z by only directing passengers to QR Code or Bank webpage, where they can find this information that by law must be provided.

# Truth in Lending Act.





For purposes of this training, we will be covering the general requirements applicable to credit cards related to marketing and account opening disclosures.



JetBlue employees should not be directly marketing credit cards and should always refer customers to QR Code or 787.724.3653 website:

<https://www.popular.com/en/cards/>



When interest is shown in opening an account, it is important that you have a general knowledge that this scenario is considered a stage in the account opening process and is covered by Reg Z and you must refer the customer to the QR code.



All applications are  
subject to credit  
approval.

# Marketing.

**If any of the following terms are included in an ad, then additional information would have to be included.**

# Marketing.

- ✓ A description of circumstances when a finance charge could or could not be imposed.
- ✓ How the finance charge is to be determined.



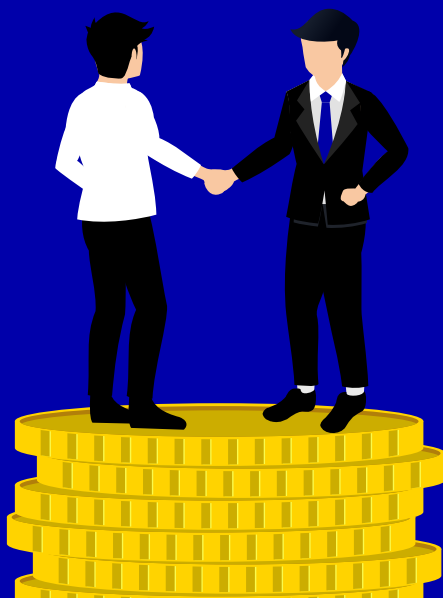
# Marketing.



**Amounts of any other charges or how they will be determined.**



**Any mention of a promotional Annual Percentage Rate of APR or any other rate or grace period.**



# Marketing.



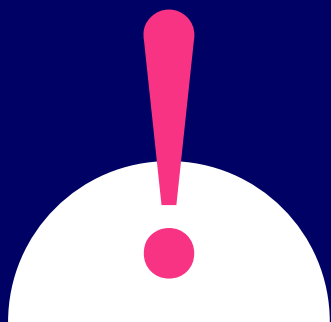
\* The Annual Percentage Rate (APR) is a measure of the cost of credit, expressed as a yearly rate. The APR can be variable or fixed depending on decision of the financial institution. Variable APR means your rate can go up or down over time due to financial market fluctuations. Popular credit cards have variable APRs. The APR increases or decreases with the U.S. Prime Rate. The APR will be determined by adding the Prime Rate (as published by The Wall Street Journal) to a margin. The margin applicable to the transaction types will depend on the credit worthiness and will be set at the time of approval of your application.



# **Marketing** **Triggering Terms.**

**These terms  
are called  
triggering  
terms.**

**Triggering terms, trigger  
the need of additional  
disclosures. Please see  
the examples below:**



# Marketing Triggering Terms.

“Zero financing charges if you pay your account in 30 days”.

“Costs per convenience check \$.50”.

“15% of Annual Percentage Rate for cash advances; 18% Annual Percentage Rate for Purchases”.

“Minimum monthly charge in pending payment balance”.

“Pay only the 1.5% monthly of the amount of credit used”.

“Zero financing charges if you pay your account within 15 days of the closing date”.

“Up to 59 days free of charge if you pay your account within 15 days of the closing date”.

“Interest on the average daily balance of financing charges”.

“\$0 Annual fee”.

“\$25.00 annual fee”.

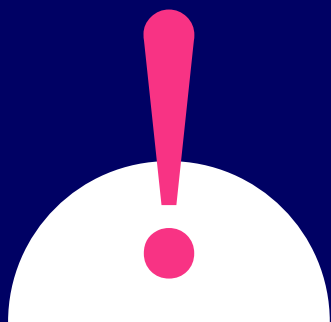
“No interest”.

“Low Monthly charge”.

“12% APR”.

# Marketing Triggering Terms.

**If any of  
these trigger  
terms are  
mentioned the  
advertisement  
must also  
include:**



# **Marketing**

## **Triggering Terms**

### **Additional Disclosure**

**Any minimum, fixed, transaction or similar charge that is a finance charge that could be imposed.**

**Any membership or participation fee that could be imposed.**

# **Marketing**

## **Triggering Terms**

### **Additional Disclosure**

**The Annual Percentage Rate (APR) expressed or rounded to two decimal places; if the plan provides for a variable periodic rate it should be disclosed.**

# Marketing Triggering Terms.

1

## Advertisement Triggering Term.

If an ad for credit to finance the purchase of goods or services specifies a periodic payment amount.



## Additional Disclosures.

It must also state the total number of payments and time period to repay, assuming that consumer pays only the periodic payment amount. The disclosure must be equally prominent to the statement of the periodic payment amount.

# Marketing Triggering Terms.

2

## Advertisement Triggering Term.

If a promotional rate or fee is stated.



## Additional Disclosures.

It must also state the APR and fees that will apply after the end of the promotional period. If it is a written or electronic ad, disclosures must be in a prominent location closely proximate to the first listing of the promotional rate or promotional fee.

# Marketing Triggering Terms.

3

## Advertisement Triggering Term.

If an ad refers to an APR as “fixed”.



## Additional Disclosures.

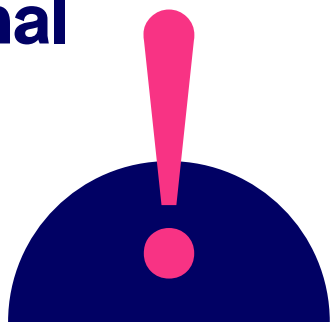
It must also state the time period that rate will be fixed and will not increase during that period. If no such time period is provided, the rate will not increase while the plan is open.



# **Marketing** **Triggering Terms.**

**If an  
advertisement  
made through  
television or  
radio states any  
of the  
triggering terms**

**the alternate  
required additional  
disclosures are:**



# **Marketing** **Triggering Terms.**

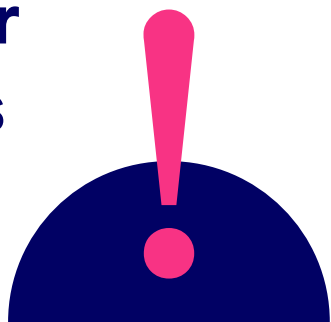
## **The Annual Percentage Rate (APR) and**

**A toll-free telephone number or any telephone number that allows a consumer to reverse the phone charges when calling for information, along with a reference that such number may be used to obtain the additional cost information.**

# **Marketing** **Triggering Terms.**

**If an ad states  
an interest rate  
and more than  
one interest  
rate will apply  
over the term of  
the loan,**

**the ad must also  
disclose in a clear  
and conspicuous  
manner:**



# **Marketing**

## **Triggering Terms.**

**Each interest rate that will apply, for variable rate transactions an interest rate is determined by adding an index and margin, shall be disclosed based on a reasonably current index and margin.**

# **Marketing** **Triggering Terms.**

**The period of time the  
interest rate will apply;  
and,**

**the APR for the loan.**

**Marketing**  
**Annual Fees.**



**Reg Z does not require an annual fee** to be disclosed in credit card advertisements.



Notwithstanding, being that an annual fee is material knowledge that a client must have when selecting a credit card **all credit cards that have an annual fee must disclose that fee as part of the advertisement and not in footnotes or disclosures below the advertisement.**

# Marketing Other Fees and Costs.










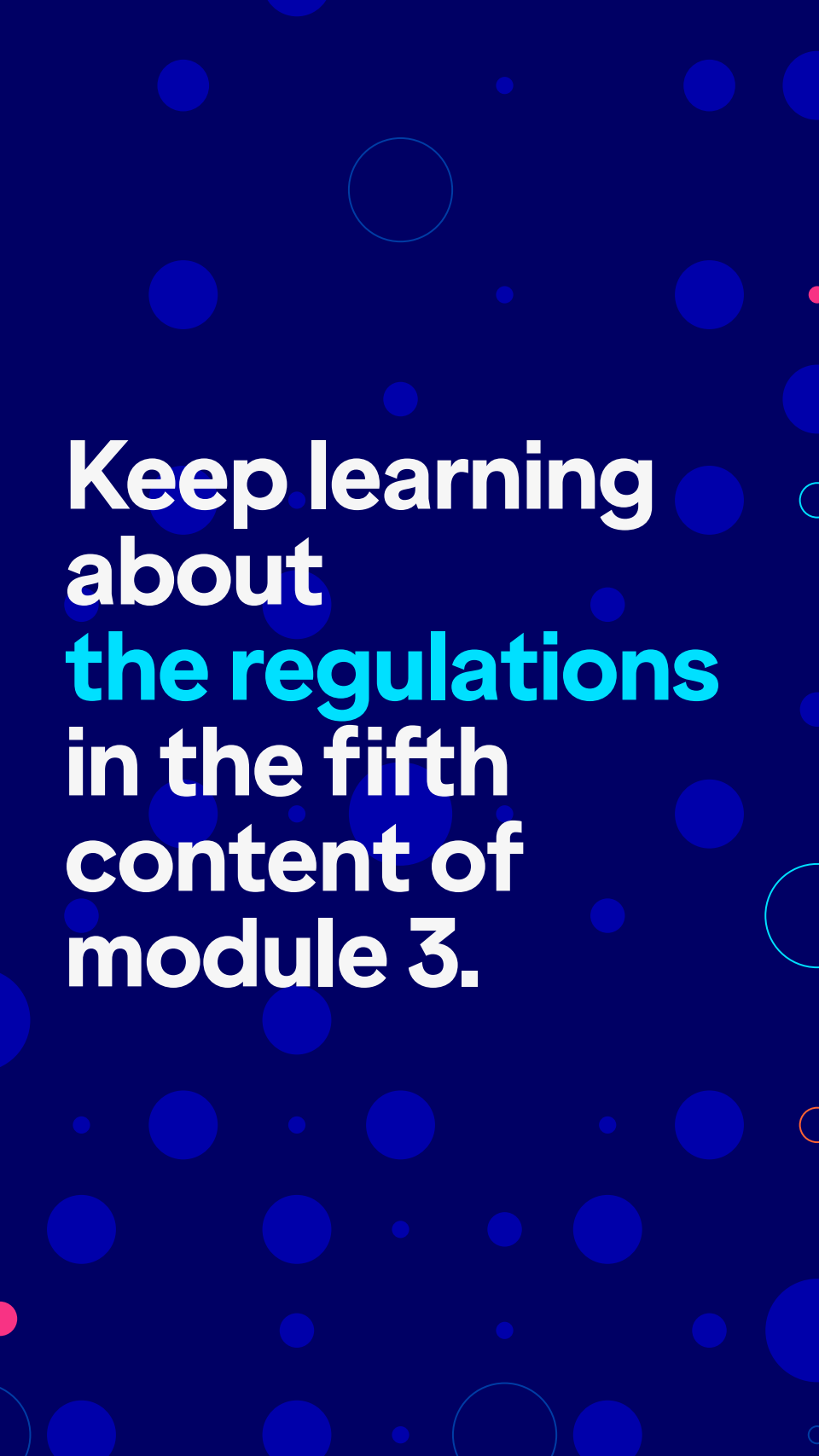
**Marketing  
material shall  
describe:**

 **Clearly.**

 **Prominently.**

 **Accurately.**

-  **The material costs,**
-  **Conditions, and**
-  **Limitations associated with offers such as:**
  -  **Transfers of credit card balances or**
  -  **Purchases subject to a low or zero percent promotional rate offers.**



**Keep learning  
about  
the regulations  
in the fifth  
content of  
module 3.**

**Now, let's go  
through  
what you've  
learned.**

