

Consumer Credit Law Case Study Analysis Guide

This guide contains real-world scenarios involving potential violations of consumer credit laws. For each case study, analyze which laws apply, what rights the consumer has, and what actions they should take.

Analysis Instructions

For each case study, complete the following analysis:

1. Identify which consumer credit law(s) might apply to the situation
2. Explain what specific rights the consumer has in this situation
3. Describe the concrete actions the consumer should take, in order of priority
4. Consider any additional factors that might affect the situation

1 The Sudden Interest Rate Increase

Morgan has had a credit card with National Bank for three years with a fixed interest rate of 15.9% APR. Yesterday, Morgan received a statement showing that the interest rate had been increased to 24.9% APR, applied to the existing balance of \$2,500. There was no advance notice of this change, and Morgan has never been late with a payment or violated the card terms.

Your Analysis

Applicable Consumer Credit Law(s):

Consumer Rights in This Situation:

Recommended Actions (in priority order):

Additional Considerations:

2 The Persistent Debt Collector

Jamie has been receiving calls from ABC Collections about a three-year-old medical debt of \$750. The collector calls every day, including weekends, sometimes as early as 6:00 AM and as late as 11:00 PM. During their last call, the collector threatened to tell Jamie's employer about the debt and said they would "make sure everyone knows you don't pay your bills." Jamie doesn't recognize the debt and has asked for verification, but the collector continues to demand immediate payment.

Your Analysis

Applicable Consumer Credit Law(s):

Consumer Rights in This Situation:

Recommended Actions (in priority order):

Additional Considerations:

3 The Mortgage Application Denial

Taylor and Jordan, a married couple, applied for a mortgage loan. Both have good credit scores above 750 and stable income that easily qualifies them for the loan amount. After submitting their application, they were denied without explanation. When they called to ask why, the loan officer mentioned that their application was denied because Jordan is on parental leave, even though Jordan will return to work in two months and their current income is still sufficient for the loan.

Your Analysis

Applicable Consumer Credit Law(s):

Consumer Rights in This Situation:

Recommended Actions (in priority order):

Additional Considerations:

4 The Credit Report Mystery

Alex was denied an apartment rental due to information in their credit report. Upon requesting a copy of the report, Alex discovered accounts they never opened, including a credit card with a \$5,000 balance in collections. The addresses listed for these accounts are in a state where Alex has never lived. Alex has never received any notices about these accounts until now.

Your Analysis

Applicable Consumer Credit Law(s):

Consumer Rights in This Situation:

Recommended Actions (in priority order):

Additional Considerations:

5 The Student Loan Confusion

Riley took out federal student loans to pay for college. After graduation, Riley started receiving bills from three different loan servicers with different payment amounts, due dates, and terms. None of the paperwork clearly explains the total amount owed, the interest rates, or repayment options. Riley has tried calling the servicers but gets conflicting information each time. One servicer is now threatening to report late payments, even though Riley never received clear payment instructions.

Your Analysis

Applicable Consumer Credit Law(s):

Consumer Rights in This Situation:

Recommended Actions (in priority order):

Additional Considerations:

Key Laws Reference

Use this quick reference to help with your analysis:

- **Truth in Lending Act (TILA):** Requires disclosure of loan terms and costs
 - **Fair Credit Reporting Act (FCRA):** Governs credit reports and provides rights to dispute errors
 - **Equal Credit Opportunity Act (ECOA):** Prohibits discrimination in lending
 - **Fair Debt Collection Practices Act (FDCPA):** Regulates third-party debt collectors
 - **Credit CARD Act:** Provides credit card protections, including against retroactive rate increases
 - **Dodd-Frank Act / CFPB:** Created the Consumer Financial Protection Bureau to enforce laws and protect consumers
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