

Equal Credit Opportunity Act (ECOA)- A federal regulation which requires lenders to promote the availability of credit to all creditworthy applicants without regard to race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to contract); to whether all or part of the applicants income derives from a public assistance program or to whether the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The regulation prohibits creditor practices that discriminate on the basis of any of these factors.

Contract- A written binding document describing terms of an agreement between two or more persons. (Keep all your paperwork. Later if there are any questions you will have your agreement in writing.)

Annual Percentage Rate (APR)- APR is a combination of the interest rate plus the fees charged on your loan. APR is higher than the interest rate because it includes both fees and interest as finance charges. It is intended to provide a single value for a consumer to compare the cost of credit between one lender and another.

Credit History- A record containing information about you, including your payment history on previous debts.



COMMON TERMS AND DEFINITIONS

Principal- The amount of money owed on a debt, on which interest is calculated.

Finance Charge- The dollar amount of the credit will cost you. Finance charges include interest and may also include transaction fees and service fees.

Interest- The cost of borrowing money, generally a percentage of the amount owed.

Balance- The total amount of money owed to a lender.

Credit Report- A report of the credit history and other information about you that is kept by credit bureaus, which may include: your name, address, social security number, payment history (good and bad), current and previous debts, employers, income, etc. Accurate information on a credit report may not be legally removed. Incorrect information may be removed by disputing the information to the credit bureau involved.

Credit Bureau- A private company that keeps record of your credit history for distribution upon request by authorized parties. When you apply for credit, a lender may request a credit report to review when considering your application.

Collateral- Security pledged by a borrower to protect the interests of the lender; in case of default, the lender may take ownership of the security, if any, pledged by the borrower.

Default- Failure to pay a debt as agreed to on a contract. When a loan is in default, the lender may demand full payment of the remaining debt.



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This business is regulated by the Regulation
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IMPORTANT CONSUMER INFORMATION

THIS BROCHURE CONTAINS SOME
COMMON TERMS AND DEFINITIONS, WHICH
ARE INTENDED TO HELP YOU BETTER
UNDERSTAND YOUR CREDIT TRANSACTION.
CREDIT COSTS MONEY, SO IT IS IMPORTANT
THAT YOU FULLY UNDERSTAND THE TERMS
OF YOUR CREDIT TRANSACTION. IF YOU
COME ACROSS TERMS YOU DO NOT
UNDERSTAND, LOOK UP THE TERMS, OR AS
OUR PERSONNEL TO EXPLAIN THE TERMS TO
YOU. ASK QUESTIONS. MAKE CERTAIN THE
QUESTIONS THAT YOU ASK ARE ANSWERED.
MAKE CERTAIN YOU UNDERSTAND THE
TERMS AND COSTS OF YOUR LOAN.



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