

Truth In Lending Act (TILA)

Description:

This Act (Title I of the Consumer Credit Protection Act) requires all creditors who deal with consumers to make certain written disclosures concerning finance charges and related aspects of credit transactions (including disclosing an annual percentage rate). The Act also establishes certain requirements for advertisers of credit terms.

Dealer Relevancy:

- Oklahoma dealers are governed by the state's version of certain sections of the TILA.
- Requires specific disclosures on Retail Installment Sales Contracts, such as APR, Finance Charge, Amount Financed, Total of Payments, Total Sale Price, and Payment Schedule. Credit term disclosures must be clear and conspicuous.
- Governs advertising of credit terms. If certain credit terms are mentioned in the advertising piece, then other terms such as APR must also be disclosed. The rule is intended to ensure that all important terms of a credit plan, not just the most attractive ones, appear in an ad.
- The TILA applies to credit transactions in which the amount does not exceed a certain threshold. The threshold for 2013 is credit extended of \$53,000 and is adjusted for inflation January 1 of each year.

TILA



Covered entities:

BHPH

3rd Party Finance

Rulemaking Authority:

*Oklahoma

CFPB

Federal Reserve

Oklahoma is one of five states exempt from certain sections of the TILA.