

HOW TO CORRECT BILLING MISTAKES

By Attorney Michael H. Wald

In 1974 Congress passed an amendment to the Truth-in-Lending Act called the Fair Credit Billing Act. Under these rules a purchaser can withhold payment until a dispute, paid for by credit card, is resolved.

The Fair Credit Billing Act requires creditors to promptly correct errors, without any damage to your credit rating. If you think your bill is incorrect, or if you want more information about it, take the following steps:

1. Notify your creditor in writing within 60 days after the bill was mailed. Your letter must be sent to the address your creditor has supplied for this purpose. A phone call will not preserve your rights if your creditor has given you an address to write to.
2. In the letter tell the creditor your name, address and account number, and briefly state the nature of your dispute (what is wrong with your bill).

The creditor is required by law to acknowledge your letter within 30 days, unless the billing error can be corrected in less time. Your account must be corrected within two billing periods (no longer than 90 days), or the creditor must tell you why he believes the bill is not in error.

If no error is found, the creditor, by law, must promptly send you a statement of what you owe. The creditor may include any finance charges that have accumulated and any minimum payments you missed during the dispute period.

If your bill does contain an error, you do not have to pay any finance charges on the amount in dispute.

After the creditor has explained your bill, he may take action to collect if you do not pay in the time allowed, and he may report you to the credit bureau as delinquent on the amount in question.

You may still disagree with the creditor in writing. If you choose to do this, the creditor must report to the credit bureau that you have challenged the bill, and he must give you the name and address of each person who has received information about your account. When the dispute is settled, the creditor must report the outcome to each person who has received information about the account.

If the creditor doesn't follow all the rules within the proper time limits, you may keep any disputed amount up to \$50, or may sue for \$100 damages plus legal fees.

My thanks to Sandra K. Greenman, a student of mine in my law class at the University of Texas at Dallas, who assisted in preparation of this column.

Copyright (c) 1986 by M. Wald & Co.