

IN THE MATTER OF
WESTINGHOUSE CREDIT CORPORATION

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION, EQUAL CREDIT OPPORTUNITY, AND
FAIR CREDIT REPORTING ACTS

Docket C-2999. Complaint, Nov. 13, 1979—Decision, Nov. 13, 1979

This consent order, among other things, requires a Pittsburgh, Pa. finance company to cease violating federal regulations and statutes relating to credit discrimination and credit reporting by requesting, recording and utilizing prohibited consumer credit information; considering the sex and marital status of applicants in evaluating creditworthiness; and failing to provide rejected applicants with reasons for denial of credit. Respondent is further required to establish educational programs for its consumer credit employees and retail dealers to explain the application of federal credit regulations to firm's credit practices.

Appearances

For the Commission: *Rena Steinzor and Jean Noonan.*

For the respondent: *John S. Koch and Luize E. Zubrow, Covington & Burling, Wash., D.C.*

COMPLAINT

Pursuant to the provisions of the Equal Credit Opportunity Act, as amended, its implementing regulation, Regulation B, the Fair Credit Reporting Act and the Federal Trade Commission Act, and by virtue of the authority vested in it by such Acts, the Federal Trade Commission, having reason to believe that Westinghouse Credit Corporation, a corporation, has violated the provisions of said Acts and regulation, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

PARAGRAPH 1. For the purposes of this complaint the following definitions are applicable:

1. "Equal Credit Opportunity Act" shall refer to that version of the Act, 15 U.S.C. 1691, *et seq.*, in effect on and after March 23, 1977.
2. "Regulation B" shall refer to that version of Regulation B, 12 C.F.R. 202, in effect on or after March 23, 1977.
3. The terms "adverse action", "applicant", "application", "completed application for credit", "consumer credit", "contractually liable", "credit", "creditor", "extend credit and extension of credit",

"marital status", "open end credit", and "person" shall be defined as provided in Section 202.2 of Regulation B.

4. The terms "consumer report" and "consumer reporting agency" shall be defined as provided in Sections 603(d) and 603(f), respectively, of the Fair Credit Reporting Act, 15 U.S.C. 1681, 1681a(d) and 1681a(f) (1970).

5. The term "no file response" shall be defined as a response by a consumer reporting agency to a creditor's request for information on a given applicant which indicates that the credit bureau has no credit history information in its files under the name and other identifiers supplied.

6. The term "derogatory information" shall be defined as information in a credit report reflecting slowly paid or delinquent credit obligations, garnishment, attachment, foreclosure, repossession, suit or bankruptcy.

7. The term "retail dealer" shall refer to a separate business entity engaged in the sale of retail merchandise with which respondent has an agreement or a course of dealing whereby it purchases sales finance contracts from the dealer.

8. The term "respondent's consumer credit plans" shall refer to both respondent's continuous or open end credit plans and respondent's installment or closed end, credit plans.

PAR. 2. Respondent Westinghouse Credit Corporation ("WCC") is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at Three Gateway Center, Pittsburgh, Pennsylvania. All references to "respondent" in the following paragraphs shall describe respondent Westinghouse Credit Corporation.

PAR. 3. Respondent is engaged in the financing of sales of consumer products in interstate commerce. In the regular course of its business, respondent finances the sale of its retail dealers' products by extending credit to the dealers' customers through its consumer credit plans. The Commission has jurisdiction of the subject matter of this proceeding and of respondent, as provided by Section 704(c) of the Equal Credit Opportunity Act, Section 621 of the Fair Credit Reporting Act, and the Federal Trade Commission Act, 15 U.S.C. 41, *et seq.*

COUNT I

Alleging violations of the Equal Credit Opportunity Act, the allegations of Paragraphs One, Two and Three heretofore are incorporated by reference into Count I as if fully set forth verbatim.

PAR. 4. Respondent receives applications for its consumer credit

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plans through the retail dealers with whom it does business. The dealers typically interview their customers on the sales floor and record information provided by the customers on an application form provided by respondent. The form is then signed by one or more of the customers applying for credit. This form becomes the contract after it is accepted by the dealer and purchased by respondent. (A copy of the form is attached as Exhibit A* to this complaint and shall be hereinafter referred to as the "application form/contract".)

PAR. 5. After the application form/contract is completed by the dealer, but before the application is accepted by the dealer, the information contained on the form is communicated to the WCC branch office serving the dealer's accounts. Some but not all of the information recorded on the application form/contract is typically transcribed onto a second form denominated as the "Purchaser's Statement". The completed Purchaser's Statement form is subsequently used by respondent to determine whether to accept or reject the application for credit and whether respondent will subsequently purchase the credit contract. (A copy of the Purchaser's Statement form used by respondent is attached as Exhibit B to this complaint and shall be hereinafter referred to as the "Purchaser's Statement".)

PAR. 6. In a substantial number of instances during the period from March 23, 1977 to the present, respondent has copied and is copying information communicated by its dealers and by consumer reporting agencies that an applicant is "divorced", "widowed" or "single" onto the Purchaser's Statements employed to process applications for its consumer credit plans. Respondent is prohibited from using this information to evaluate applications for credit. Respondent retains the Purchaser's Statements containing this information in its records.

PAR. 7. By and through the practices described in Paragraphs Four, Five and Six, above, respondent has been and is violating Section 202.12 of Regulation B.

PAR. 8. In the course of investigating the creditworthiness of applicants for its consumer credit plans, during the period from March 23, 1977 to the present, respondent has received and is receiving information concerning credit applicants from consumer reporting agencies and persons other than consumer reporting agencies.

PAR. 9. In a substantial number of instances during the period from March 23, 1977 to the present, respondent has circled, underlined or otherwise emphasized through handwritten notations, items of information concerning the marital status of its credit applicants which were contained in reports from consumer reporting agencies and

* Only that portion of Exhibit A pertinent to the discussion herein is reproduced.

persons other than consumer reporting agencies. These items of information include but are not limited to divorce suits and judgments in which applicants were parties and the names, employment and credit history of former spouses.

PAR. 10. In a substantial number of instances during the period from March 23, 1977 to the present, respondent has reviewed and is reviewing Purchaser's Statements containing information that applicants are "divorced", "widowed", or "single" for the purpose of determining applicants' eligibility for its consumer credit plans.

PAR. 11. In a substantial number of instances during the period from March 23, 1977 to the present, respondent has reviewed and is reviewing consumer credit reports containing notations emphasizing marital status information for the purpose of determining applicants' eligibility for its consumer credit plans.

PAR. 12. In a substantial number of instances during the period from March 23, 1977 to the present, respondent has considered and is considering the information described in Paragraphs Nine, Ten, and Eleven, above, when evaluating applications for its consumer credit plans.

PAR. 13. By and through the practices described in Paragraphs Four, Five, Six, Eight, Nine, Ten, Eleven, and Twelve, above, respondent has been and is violating Sections 202.4 and 202.6(b)(1) of Regulation B.

PAR. 14. In a substantial number of instances during the period from March 23, 1977 to the present, respondent requested a consumer credit report about an applicant's spouse when respondent did not know whether the applicant was relying on the spouse's income to repay the credit requested or whether the spouse intended to become contractually liable for the credit transaction. In each such instance, the applicant's spouse would not be permitted to use the account, the applicant did not reside in a community property state or rely on property located in such a state as a basis for repayment, and the applicant did not rely on alimony, child support, or separate maintenance payments from a spouse or former spouse as a basis for repayment of the credit requested.

PAR. 15. In a substantial number of instances during the period from March 23, 1977 to the present, respondent requested a consumer credit report about an applicant's deceased spouse.

PAR. 16. By and through the practices described in Paragraphs Fourteen and Fifteen, above, during the period from March 23, 1977 to the present, respondent has been and is violating Section 202.5(c) of Regulation B.

PAR. 17. During the period from March 23, 1977 through and including November 30, 1977, respondent used a standard form letter

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("WC 483") to notify consumers of action taken on their credit applications. During the period from December 1, 1977 to the present, respondent has used and is using a revised version of standard form letter ("Revised WC 483") to inform consumers of adverse action taken on their credit applications. (A copy of standard form letter WC 483 is attached as Exhibit C to this complaint. A copy of standard form letter "Revised WC 483" is attached as Exhibit D to this complaint.)

PAR. 18. In a substantial number of instances, during the period from March 23, 1977 to the present, respondent has mailed and is mailing standard form letters WC 483 and Revised WC 483 to consumers more than 30 days after receiving their completed applications for credit.

PAR. 19. In a substantial number of instances, during the period from March 23, 1977 to the present, respondent has failed and is failing to mail standard form letters WC 483 or Revised WC 483 to consumers whose completed applications for credit had been denied.

PAR. 20. By and through the practices described in Paragraphs Seventeen, Eighteen, and Nineteen, above, during the period from March 23, 1977 to the present, respondent has been and is violating Section 202.9(a)(1) of Regulation B.

PAR. 21. Standard form letter WC 483, used by respondent during the period from March 23, 1977 through and including November 30, 1977 to communicate notifications of adverse action to rejected credit applicants, contained five alternative statements describing the credit decision reached by respondent.

The first four statements explained that some type of information from a consumer reporting agency or a person other than a consumer reporting agency had played a role in respondent's decision to deny the application for credit. The fifth statement explained that the adverse decision was based on respondent's "internal standards for granting credit". The letter informed consumers that they had a right to request a statement of reasons within 60 days *"if box five is checked"* (emphasis added) but did not advise consumers that they had a right to request a statement of reasons within 60 days if boxes one, two, three or four were checked.

PAR. 22. During the period from March 23, 1977 through and including November 30, 1977, respondent completed standard form letter WC 483 by checking the single box or combination of boxes which described the credit decision made on any individual application.

PAR. 23. During the period from March 23, 1977 through and including November 30, 1977, respondent regularly used consumer credit reports and information from a person other than a consumer reporting agency to evaluate applications for its consumer credit plans. In a substantial number of instances during that period, respondent

sent versions of standard form letter WC 483 to consumers in which one or more of the boxes numbered 1 through 4 had been checked and box 5 had been left unchecked. A consumer receiving a version of form letter WC 483 which was completed by checking one or more of the boxes numbered 1 through 4 was not given either a statement of the specific reasons for the action taken or a disclosure of the applicant's right to a statement of reasons within 30 days after receipt by the creditor of a request made within sixty days of notification.

PAR. 24. In a substantial number of instances during the period from March 23, 1977 to the present, respondent failed to respond to requests by rejected applicants for a statement of reasons for adverse action made within sixty (60) days after respondent furnished a notification of adverse action to the rejected applicants.

PAR. 25. By and through the practices described in Paragraphs Twenty-one, Twenty-two, Twenty-three, and Twenty-four, above, during the period from March 23, 1977 through and including November 30, 1977, respondent violated Section 202.9(a)(2) of Regulation B.

PAR. 26. In a substantial number of instances during the period from March 23, 1977 to the present, respondent has failed to retain the originals of notifications of actions taken, or a copy thereof, and has failed to institute a record retention system whereby it could regenerate the precise text of these documents upon request.

PAR. 27. By and through the practices described in Paragraph Twenty-six, above, respondent has been and is violating Section 202.12 of Regulation B.

PAR. 28. In the ordinary course of business, respondent and its retail dealers regularly participate in the decision of whether or not to extend credit. In a substantial number of instances during the period from March 23, 1977 to the present, where respondent has rejected applications for credit, its retail dealers have failed to retain for twenty-five months the application form/contracts they received, or a copy thereof. In a substantial number of such instances, respondent knew or had reasonable notice before its involvement with the credit transactions that the retail dealers failed to retain applications in violation of Section 202.12 of Regulation B. Respondent is therefore a creditor regarding each such instance, as provided in Section 202.2(1) of Regulation B.

PAR. 29. By and through the practices described in Paragraph Twenty-eight, above, during the period from March 23, 1977 to the present, respondent has been and is violating Section 202.12 of Regulation B.

PAR. 30. Pursuant to Section 702(g) of the Equal Credit Opportunity

Act, respondent's failure to comply with Regulation B as described in Paragraphs Seven, Thirteen, Sixteen, Twenty, Twenty-five, Twenty-seven, and Twenty-nine, above, constitute violations of that Act, and pursuant to Section 704(c) thereof, respondent has violated Section 5(a)(1) of the Federal Trade Commission Act.

COUNT II

Alleging violations of the Fair Credit Reporting Act, the allegations of Paragraphs One, Two and Three heretofore are incorporated by reference into Count II as if fully set forth verbatim.

PAR. 31. Respondent, in the ordinary course and conduct of its business, obtains consumer reports from consumer reporting agencies. Respondent uses in whole or in part information contained in these reports to deny applications for its consumer credit plans. In a substantial number of instances subsequent to April 24, 1971, respondent has denied consumers credit for personal, family, or household purposes based in whole or in part on information contained in a consumer report without so advising the consumer and without supplying the name and address of the consumer reporting agency making the report. In certain such instances the applications were denied based in whole or in part on adverse or derogatory information contained in a consumer report. In other such instances, the applications were denied based in whole or in part on other than derogatory information contained in a consumer report, on an absence of sufficient favorable information contained in a consumer report, or on a "no file" response from the consumer reporting agency.

PAR. 32. In a substantial number of instances, subsequent to April 24, 1971, respondent has furnished notices which omitted the address of the consumer reporting agency supplying a consumer credit report on the applicant when the report was used in whole or in part to deny the application for credit.

PAR. 33. By and through the use of the practices described in Paragraphs Thirty-one and Thirty-two above, during the period of April 25, 1971 to the present, respondent has denied applications for credit for personal, family or household use either wholly or partly because of information contained in a consumer report without so advising the consumer and without supplying the name and address of the consumer reporting agency making the report. Therefore, respondent has violated and is violating the provisions of Section 615(a) of the Fair Credit Reporting Act.

PAR. 34. Respondent, in the ordinary course and conduct of its business, obtains reports from persons other than consumer reporting agencies. Such persons include, but are not limited to, credit references

provided by the applicant on the application form, the landlord and the employer of the applicant. Respondent uses in whole or in part information contained in these reports to deny applications for its consumer credit plans. In a substantial number of instances subsequent to April 24, 1971, respondent failed to furnish notices to consumers advising them that credit was denied on the basis of a report from a person other than a consumer reporting agency.

PAR. 35. By and through the use of the practices described in Paragraph Thirty-four, above, during the period from April 25, 1971 to the present, respondent has denied applications for credit for personal, family or household use either wholly or partly because of information contained in a report from a person other than a consumer reporting agency without so advising the consumer and without supplying a notice that the consumer may receive a disclosure of the nature of the information from respondent upon written request within sixty days after learning of adverse action taken on the application for credit. Therefore, respondent has violated the provisions of Section 615(b) of the Fair Credit Reporting Act.

PAR. 36. By its aforesaid failure to comply with Sections 615(a) and (b) of the Fair Credit Reporting Act and pursuant to Section 621(a) thereof, respondent has thereby engaged in unfair or deceptive acts or practices in or effecting commerce in violation of Section 5(a)(1) of the Federal Trade Commission Act.

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EXHIBIT A

Previous Address			City		State		Zip		How Long?	
rent owned	Own Home Mortgage Provided	Amt. Payment	Name of Landlord or Mortgage Holder	Occupation	How Long?	Yrs.	Address	Phone	Mo.	Salary \$ Hr.
☐	☐								☐	☐
Employer's Address			City	State	Zip	Phone No.	Supervisor		☐	☐
Previous Employer			Address and Phone		How Long?		Yrs.	Mo.		
Additional Income, if Any:			Amount \$		Total Combined Income \$					
Military Personnel			Organization	Post, Camp or Ship	Name and Rank of CO					
Serial No.			Bank Act. in Name of		Loan Act. No.	Checking Act. No.	Savings Act. No.			
Banks with:			Year Model		Financed by:					
If Owns Car - Make			Occupation		How Long?	Yrs.	Mo.	Salary \$ Hr.	☐	☐
Co-Buyer Employed by			City	State	Zip	Phone No.	Supervisor		☐	☐
Co-Buyer Employer's Address			City		State	Zip	Phone No.	Supervisor		☐
Names of Finance Company, Banks & Sures (Set in with (Last Address))			Date Opened	Account Number	Items Purchased	High Credit	Payment	Balance		
RELATIVES OR FRIENDS NOT LIVING WITH BUYER										
Name	Address		City	State	Zip	Relationship	Phone Number			

NOTICE: Co-Buyer information is required, if answer is "Yes" to one or more of the following questions.

- Will Co-Buyer be permitted to use this account?
- Will Co-Buyer be contractually liable upon line account?
- Will Buyer rely on community property and/or Co-Buyer's income as a basis for repayment of credit requested?
- Will Buyer rely on alimony, child support or maintenance payments from Co-Buyer for repayment of credit requested?

Co-Buyer Name: _____ Age: _____ Driver's License No. _____ Soc. Sec. No. _____

Co-Buyer Employed by: _____ City: _____ State: _____ Zip: _____ Phone No.: _____ Supervisor: _____

Co-Buyer Employer's Address: _____ City: _____ State: _____ Zip: _____ Phone No.: _____ Supervisor: _____

Names of Finance Company, Banks & Sures (Set in with (Last Address))

Date Opened	Account Number	Items Purchased	High Credit	Payment	Balance

RELATIVES OR FRIENDS NOT LIVING WITH BUYER

Name	Address	City	State	Zip	Relationship	Phone Number

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ADDITIONAL CREDIT

New Used	Year	Product and Trade Name	Type	Length	Width	Color	Manufacturer's Serial No.
Extras							
Cash Selling Price		\$		Insurance			
Sales Tax		\$		Physical Damage		\$	
Deposit with Order \$				Life		\$	
Cash on Delivery \$				Health & Accident		\$	
Trade-in Allowance \$				Total Insurance Financed		\$	
Make Year				Title, License or Official Fees		\$	
Total Down Payment and/or Trade In		\$		Invoice or W/S Value		\$	
Unpaid Balance of Cash Price		\$		Finance Charge		\$	
Insurance, Title, License, Official Fees		\$		Note Amount		\$	
Amount Financed		\$		Number Months		Monthly Payment	

COMMENTS:

Conditions of Approval

- ☐ Co-Buyer Must Sign.
☐ Obtain UCC-1 Form.
☐ Insurance prior to purchase.
☐ Other: _____

Approval Number _____ By _____

WESTINGHOUSE CREDIT CORP.

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Date:

Thank you for your recent application for credit privileges. We regret that we have declined your application at this time, based upon the following factors (appropriate box(es) is (are) checked):

1. ☐ Information contained in a consumer credit report obtained from:
2. ☐ A consumer credit report containing insufficient information for our needs.
It was obtained from:
3. ☐ The consumer reporting agency contacted was unable to supply any information on you.
That agency was:
4. ☐ Information received from a person other than a consumer reporting agency. You have the right to make a written request of us within 60 days for disclosure of the nature of this information.
5. ☐ Our decision was based upon our own internal standards for granting credit.

If either of the first two boxes above is checked, you have the right to full disclosure of the nature and substance of all information on you (except medical) in the agency's files, at no charge to you.

If box 5 is checked, you have 60 days from the date of this letter within which to request a statement of reasons for which credit has been declined. Such statement may be obtained from our office at:

Telephone Number _____

A statement will be furnished to you within 30 days of your request.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D. C., 20580.

Yours very truly,

Westinghouse Credit Corporation
District Manager

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Date:

In response to your request and in compliance with the Equal Credit Opportunity Act, following is a:
STATEMENT OF CREDIT DENIAL, TERMINATION, OR CHANGE

Applicant's Name: _____

Applicant's Address: _____

Description of Account, Transaction, or Requested Credit: _____

PRINCIPAL REASON(S) FOR ADVERSE ACTION CONCERNING CREDIT

- | | |
|---|---|
| ☐ Credit application incomplete | ☐ Too short a period of residence |
| ☐ Insufficient credit references | ☐ Temporary residence |
| ☐ Unable to verify credit references | ☐ Unable to verify residence |
| ☐ Temporary or irregular employment | ☐ No credit file |
| ☐ Unable to verify employment | ☐ Insufficient credit file |
| ☐ Length of employment | ☐ Delinquent credit obligations |
| ☐ Insufficient income | ☐ Garnishment, attachment, foreclosure, repossession, or suit |
| ☐ Excessive obligations | ☐ Bankruptcy |
| ☐ Unable to verify income | ☐ We do not grant credit to any applicant on the terms and conditions you request. |
| ☐ Inadequate collateral | |

DISCLOSURE OF USE OF INFORMATION OBTAINED FROM AN OUTSIDE SOURCE

- ☒ Disclosure inapplicable
- ☐ Information obtained in a report from a consumer reporting agency
- Name: _____ Phone: _____
- Address: _____
- ☒ Information obtained from an outside source other than a consumer reporting agency. Under the Fair Credit Reporting Act, you have the right to make a written request, within 60 days of receipt of this notice, for disclosure of the nature of the adverse information.

Creditor's Name: _____ Phone: _____

Creditor's Address: _____

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D. C., 20580.

Very truly yours,

Westinghouse Credit Corporation
District Manager

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act, the Equal Credit Opportunity Act, and the Fair Credit Reporting Act; and

The respondents, their attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Westinghouse Credit Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at Three Gateway Center, in the City of Pittsburgh, Commonwealth of Pennsylvania.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

Definitions: For the purpose of this order the following definitions are applicable:

- (a) "Equal Credit Opportunity Act" shall refer to that version of the Act, 15 U.S.C. 1691 *et seq.*, now in effect or as it may be amended. (A

copy of the Act to which the citations in this order refer is attached as Appendix A* hereto.)

(b) "Regulation B" shall refer to that version of Regulation B, 12 C.F.R. 202, now in effect or as it may be amended. (A copy of the Regulation to which the citations in this order refer is attached as Appendix A* hereto.)

(c) "Fair Credit Reporting Act" shall refer to that version of the Act, 15 U.S.C. 1681 *et seq.*, now in effect or as it may be amended. (A copy of the Act to which the citations in this order refer is attached as Appendix A* hereto.)

(d) The terms "adverse action," "applicant," "application," "completed application for credit," "contractually liable," "consumer credit," "credit," "creditor," "credit transaction," "extend credit and extension of credit," "inadvertent error," "marital status" and "person" shall be defined as provided by Section 202.2 of Regulation B.

(e) The term "regional manager" shall refer to each employee of the respondent who has immediate supervisory responsibility for respondent's "district managers."

(f) The term "district manager" shall refer to each employee of the respondent who is the head of each office where respondent receives and evaluates applications for consumer credit.

(g) The terms "consumer report" and "consumer reporting agency" shall be defined as provided in Section 603(d) and 603(f) respectively, of the Fair Credit Reporting Act, 15 U.S.C. 1681a(d) and 1681a(f)(1970).

(h) The term "retail dealer" shall refer to a separate business entity engaged in the sale of retail merchandise with which respondent has an agreement or a course of dealing whereby it purchases consumer sales finance contracts from the dealer.

(i) The term "dealer audit program" shall refer to respondent's current and usual procedure of reviewing the business practices of retail dealers through communications by mail, telephone or a visit with a retail dealer or with a consumer who has financed a purchase from a retail dealer.

PART I

It is ordered, That respondent Westinghouse Credit Corporation, a corporation, its successors and assigns, and its officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with every application for consumer credit do forthwith cease and desist from:

1. Retaining in its files information, the use of which is prohibited

* For reasons of economy, not reproduced herein

by the Equal Credit Opportunity Act or Regulation B in the evaluation of a credit application, and retention of which is not expressly permitted by Section 202.12(a) of Regulation b

2. Recording the marital status of an applicant in terms other than "married," "unmarried," or "separated" on any document used to evaluate any application for consumer credit.

3. Placing any notation for the purpose of emphasizing prohibited marital status information on a consumer credit report used to evaluate any application for consumer credit.

4. Taking sex or marital status into account in the evaluation of any applicant's creditworthiness in connection with an application for consumer credit.

5. Requesting or considering information concerning the spouse (or former spouse under (e) below) of an applicant for consumer credit unless:

- (a) The spouse will be permitted to use the account; or
- (b) The spouse will be contractually liable upon the account; or
- (c) The applicant is relying on the spouse's income as a basis for repayment of the credit requested; or
- (d) The applicant resides in a community property state or property upon which an applicant is relying as a basis for repayment of the credit requested is located in such a state; or
- (e) The applicant is relying on alimony, child support or separate maintenance payments from a spouse or former spouse as a basis of repayment of the credit requested.

6. Extending consumer credit or purchasing consumer credit contracts unless respondent provides each applicant against whom adverse action is taken upon an application for consumer credit with a written notification of the action taken on the application within 30 days of respondent's receipt of a completed application for consumer credit as required by Section 202.9(a)(1) of Regulation B. Within thirty (30) days after service of this order, each notification of adverse action shall be provided by sending by first class mail a notice in the form and language shown in Appendix B which has been properly completed to indicate the principal, specific reasons for adverse action on each consumer credit application.

(a) *Provided*, That where an application for consumer credit was denied by respondent after October 1, 1977, and the applicant was neither given the principal, specific reasons for the denial through issuance to the applicant of WCC Form 486 or otherwise, nor informed of the right to request the principal, specific reasons, as required by

Section 202.9 of Regulation B, respondent shall, within ninety (90) days of the service upon it of this order, mail to each such applicant known to respondent at the last address reflected in respondent's files, the letter and self-addressed, postage prepaid request form set forth in Appendix C. Respondent shall reply to each request which complies with Section 202.9 of Regulation B and shall enclose a copy of the Commission's pamphlet on the Equal Credit Opportunity Act, attached as Appendix D,* or a subsequent similar pamphlet mutually agreeable to the Federal Trade Commission and Westinghouse Credit Corporation. If, upon receiving a consumer request in response to this notification letter, respondent cannot determine the principal, specific reasons for the denial by a good faith examination of the applicant's file because one or more documents are missing from the file, respondent shall not be deemed to have violated the requirements of this order if respondent: (i) discloses to any such applicant that it is unable to provide reasons for denial because its records are incomplete and (ii) invites the applicant to reapply for consumer credit. A list of the names of consumers whose requests are processed pursuant to (i) and (ii) hereof shall be submitted as part of respondent's supplemental compliance report.

(b) *Provided further*, That if, during the next eight (8) years, respondent changes its consumer credit evaluation criteria and the notification letter contained in Appendix B can no longer be completed to disclose the principal, specific reasons for adverse action on each application, respondent shall submit to the Commission a supplemental written report of compliance setting forth the proposed changes to Appendix B and the reasons therefor, which report shall be received and filed by the Commission before respondent implements such changes in its evaluation system.

7. Failing to preserve records as required by Section 202.12(b) of Regulation B, including but not limited to (1) notifications of adverse actions, and (2) statements of the specific reasons for denial.

8. Extending consumer credit through or purchasing consumer credit contracts from any retail dealer from which respondent purchased 150 or more consumer sales finance contracts during the previous twelve (12) months and which engages in a pattern or practice of failing to provide respondent with a complete and legible copy of the application forms received by the retail dealer relating to applications for consumer credit acted upon by respondent.

* For reasons of economy, not reproduced herein.

Provided that the provisions of this paragraph shall expire ten (10) years after service of this order.

9. Failing to implement, within one hundred and eighty (180) days after service of this order, an initial educational program, a full and complete description of which has been received and filed by the Commission as a supplemental report of compliance, for all of respondent's officers and employees who are responsible for the formulation and implementation of respondent's consumer credit policies and practices, including but not limited to the processing of credit applications. In order to satisfy its obligations under this paragraph, respondent shall:

(a) Furnish each such officer and employee a copy of this order, a copy of the Equal Credit Opportunity Act and Regulation B, and written educational materials which explain the Equal Credit Opportunity Act, Regulation B, and the Fair Credit Reporting Act, as they apply to respondent's credit practices. Such educational materials shall be clearly written, shall omit discussion of any part of the Equal Credit Opportunity Act, Regulation B, or the Fair Credit Reporting Act which is not relevant to respondent's credit practices, and shall emphasize those parts of Regulation B and the Fair Credit Reporting Act which are particularly relevant to respondent's credit practices, including but not limited to Sections 202.4, 202.5(c), 202.5(d), 202.6(b)(2), 202.6(b)(5), 202.6(b)(6), 202.7(a), 202.7(d), 202.9 and 202.12 of Regulation B and Section 615 of the Fair Credit Reporting Act;

(b) Inform orally each such officer and employee, at a general meeting, or otherwise, of the provisions of this order and of the duties of Westinghouse Credit Corporation and its officers and employees under the Equal Credit Opportunity Act, Regulation B, and the Fair Credit Reporting Act. Each such officer and employee shall be advised that his or her failure to comply with the provisions of this order shall subject him or her to disciplinary action, including possible dismissal, as Westinghouse Credit Corporation deems appropriate. Respondent shall submit a written agenda of its oral presentation to its employees as part of the supplemental report of compliance filed pursuant to this paragraph; and

(c) Secure a signed statement from each such officer and employee that he or she has been given a copy of this order, the Equal Credit Opportunity Act and Regulation B, has also been given and has read the educational materials described in subparagraph (a), and has received the information described in subparagraph (b). A copy of each

such statement shall be retained for at least three (3) years and shall be made available for inspection by a representative of the Commission.

10. Failing to provide the documents described in Paragraph 9(a) hereof and the information described in Paragraph 9(b) hereof to each officer or employee who within five (5) years after the service of this order is given the responsibilities described in Paragraph 9 hereof and to require each such officer or employee to sign within ten (10) days of the assumption of said responsibilities a statement as described in Paragraph 9(c) hereof. A copy of each such statement shall be retained for at least three (3) years and shall be made available upon request for inspection by a representative of the Commission.

11. Failing to conduct a refresher educational program at least once a year for five (5) years after service of this order for all officers and employees having the responsibilities described in Paragraph 9 hereof, for the purpose of explaining the requirements of the Equal Credit Opportunity Act, Regulation B, and the Fair Credit Reporting Act and ensuring that such employees are carrying out their employment responsibilities in conformity with this order. In order to satisfy its obligations under this paragraph, respondent shall:

(a) Conduct a conference or seminar for all district managers to discuss the requirements of the Equal Credit Opportunity Act, Regulation B, and the Fair Credit Reporting Act as they pertain to respondent's credit practices. Such conferences or seminars shall also cover relevant amendments to the Equal Credit Opportunity Act, Regulation B, or the Fair Credit Reporting Act and relevant current regulatory or judicial interpretations.

(b) Conduct at each district office similar conferences or seminars led by an appropriate person, for all employees at the district level having the responsibilities described in Paragraph 9 hereof in order to ensure that each such employee receives or has received in the past the written materials described in Paragraph 9(a) and an oral explanation of those materials, and of the requirements of the Equal Credit Opportunity Act, Regulation B, and the Fair Credit Reporting Act as they pertain to respondent's credit practices. These sessions also shall cover relevant amendments to the Equal Credit Opportunity Act, Regulation B, or the Fair Credit Reporting Act and relevant current regulatory and judicial interpretations.

(c) If necessary to reflect relevant amendments to the Equal Credit Opportunity Act, Regulation B, or the Fair Credit Reporting Act, or relevant regulatory and judicial interpretations, furnish each employee having the responsibilities described in Paragraph 9 hereof with an updated version of the written educational materials described in

subparagraph 9(a). Such written materials shall be retained for a period of three (3) years and shall be made available upon request for inspection by a Commission representative.

12. Extending consumer credit through or purchasing consumer credit contracts from retail dealers unless respondent conducts an initial retail dealer education program as herein described. A full and complete description of said initial retail dealer educational program shall be filed with the Commission as a supplemental report of compliance within one hundred and eighty (180) days after service of this order. In order to satisfy its obligations under this paragraph, respondent shall:

(a) Within one hundred and eighty (180) days after service of this order, send by first-class mail to each retail dealer from which respondent purchased 150 or more consumer sales finance contracts during the previous twelve (12) months, the letter set forth in Appendix E;

(b) Within one hundred and eighty (180) days after service of this order, send by first-class mail to each retail dealer not included in subparagraph (a) hereof, the letter set forth in Appendix F;

(c) Within one hundred and eighty (180) days after service of this order, furnish to each retail dealer written educational materials which explain in clearly written language the Equal Credit Opportunity Act and Regulation B as they apply to the retail dealer's credit practices regarding applications referred to respondent. Such educational materials shall omit discussion of any part of the Equal Credit Opportunity Act or Regulation B which is not relevant to the retail dealer's or respondent's credit practices, and shall address itself to those parts of Regulation B which are particularly relevant to the retail dealer's credit practices, including but not limited to Sections 202.4, 202.5(a), 202.5(c), 202.5(d), 202.6(b)(6), 202.7(a), 202.7(d), and 202.12;

(d) Make available to each retail dealer described in subparagraph (a) hereof an initial educational class which shall include an oral explanation of the written educational materials described in subparagraph (c) hereof. Such initial educational class may be provided by respondent's district managers as part of the district manager's normal ongoing business relationship with the retail dealer, and shall be made available at such a time or times as to facilitate attendance by the retail dealer's officers and/or employees who have responsibilities regarding the processing of applications for consumer credit, including but not limited to those who have direct contact with consumers regarding such applications. Within one hundred and eighty (180) days after service of this order, respondent shall contact each retail dealer

described in subparagraph (a) hereof to set a date for the initial retail dealer educational classes; and

(e) With respect to each retail dealer described in subparagraph (a) hereof, secure a signed statement from the responsible representative of respondent which states or provides:

(i) That the retail dealer has been provided with the written educational materials described in subparagraph (c) hereof;

(ii) That respondent made available the educational class described in subparagraph (d) hereof;

(iii) The date(s) on which respondent made available the educational class described in subparagraph (d) hereof; and

(iv) A list setting forth the titles and number of individuals who attended the educational class described in subparagraph (d) hereof, a list setting forth the titles and number of individuals who received the written educational materials described in subparagraph (c) hereof, and a statement as to the total number of such dealer's employees who, in the dealer's opinion, have the responsibilities set forth in subparagraph (d) above. A copy of such lists shall be retained for at least three (3) years and shall be made available for inspection by a representative of the Commission.

13. Failing to provide, within thirty (30) days after respondent purchases the first consumer credit contract, the letter described in subparagraph 12(b) hereof and the written educational materials described in subparagraph 12(c) hereof to each business entity which within five (5) years after the service of this order becomes a retail dealer.

14. Extending consumer credit through or purchasing any consumer credit contract from any retail dealer unless respondent conducts at least once a year for five (5) years after service of this order a refresher retail dealer educational program. In order to satisfy its obligations under this paragraph, respondent shall:

(a) If necessary to reflect relevant amendments to the Equal Credit Opportunity Act or Regulation B, or relevant, current regulatory and judicial interpretations, furnish to each retail dealer an updated version of the written educational materials described in subparagraph 12(c) hereof. If an updated version of the educational materials is not furnished to retail dealers, a notice informing said dealers of the availability of additional copies of the written educational materials from the previous year shall be furnished. Such updated written materials shall be retained for at least three (3) years and shall be made available for inspection by a representative of the Commission.

(b) Make available to each retail dealer from which respondent

purchased 150 or more consumer credit contracts during the previous twelve (12) months, a refresher educational class which shall include an oral explanation of the written educational materials described in subparagraph (a) hereof. Such refresher educational class may be provided by respondent's district managers as part of the district manager's normal ongoing business relationship with the retail dealer, and shall be made available at such a time or times as will facilitate attendance by the retail dealer's officers and/or employees of the retail dealer who have responsibilities regarding the processing of applications for consumer credit, including but not limited to those who have direct contact with consumers regarding such applications.

15. Failing to use credit application forms which clearly and conspicuously disclose to the applicant that he or she is entitled to apply for an individual account, and that if the applicant chooses to apply for an individual account, he or she need not supply any information about his or her spouse or former spouse unless the applicant is relying upon a spouse's income, is relying on alimony, child support or separate maintenance payments, or resides in a community property state.

16. Failing to make available to each retail dealer and to each business entity that within five (5) years after service of this order becomes a retail dealer an equal opportunity in credit sign for the purpose of public display in the retail dealer's place of business, which is clear and conspicuous, not smaller in dimension than twenty-two (22) inches by twenty-eight (28) inches, states the provisions of Section 701(a) of the Equal Credit Opportunity Act, and further states the right to apply for an individual account regardless of the applicant's marital status.

17. Failing to include in its ordinary dealer audit program questions to determine whether retail dealers are in compliance with the requirements of the Equal Credit Opportunity Act and Regulation B, which are contained in Sections 202.5, 202.7(a), 202.7(d) and 202.12 of the Regulations.

Provided, that if respondent eliminates its dealer audit program at any time in the future, it shall nevertheless retain those portions of the program which pertain to compliance by retail dealers with the Equal Credit Opportunity Act and its implementing Regulation.

Provided further, that the provisions of this paragraph shall expire fifteen (15) years after service of this order.

18. Respondent shall not be liable for a civil penalty for any

violation of any paragraph except 4 and 5 of Part I of this order if it shows by a preponderance of the evidence that any such violation was caused by an inadvertent error.

PART II

It is further ordered, That respondent, Westinghouse Credit Corporation, a corporation, its successors and assigns, and its officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device in connection with any application for credit that is primarily for personal, family, household purposes, and in connection with either the receipt or consideration of any consumer report, do forthwith cease and desist from:

1. Failing whenever credit for personal, family or household purposes involving the consumer is denied, either wholly or partly because of information contained in a consumer report from a consumer reporting agency, to so advise the consumer against whom such adverse action has been taken and to supply the name and address of the consumer reporting agency making the report as required by Section 615(a) of the Fair Credit Reporting Act.

2. Failing, within ninety (90) days after service of this order, to mail the letter and self-addressed, postage prepaid request form contained in Appendix G to each applicant who was denied credit after October 1, 1977, and before the service of this consent order, for personal, family, or household purposes involving the consumer, based in whole or in part on information contained in a consumer report from a consumer reporting agency. The letter shall be sent to the last address of the applicant which is reflected in respondent's files.

(a) *Provided*, that to the extent that respondent's records indicate that the notice required by Section 615(a) of the Fair Credit Reporting Act was previously given to the applicant, respondent shall be deemed to be in compliance with this provision of the order as to each such applicant.

(b) *Provided further*, that the notice required in this paragraph may be combined, where appropriate, with the notice required under Paragraph 6, Part I, hereof.

(c) *Provided further*, that in replying to requests from applicants received in response to the letter contained in Appendix G, respondent shall include the language set forth in Appendix H in the Section 615(a) notice it sends to the applicant and shall enclose a copy of the

Commission's pamphlet on the Fair Credit Reporting Act attached as Appendix I,* or a subsequent pamphlet mutually agreeable to the Federal Trade Commission and Westinghouse Credit Corporation.

3. Failing whenever credit for personal, family, or household purposes involving the consumer is denied, either wholly or partly because of information obtained from a person other than a consumer reporting agency bearing upon the consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, to disclose, at the time such adverse action is communicated to the consumer, his or her right to make a written request for the nature of the information upon which such adverse action was based, and failing, upon receipt of such a request to disclose within a reasonable period of time the nature of the information to the consumer, as required by Section 615(b) of the Fair Credit Reporting Act.

4. Failing, within ninety (90) days after service of this order, to mail the letter and self-addressed, postage prepaid request form contained in Appendix G to each applicant who was denied credit after October 1, 1977, and before the service of this consent order, for personal, family or household purposes involving the consumer, based in whole or in part on information obtained from a person other than a consumer reporting agency bearing on the consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living. The letter shall be sent to the last address of the applicant which is reflected in respondent's files.

(a) *Provided*, that to the extent that respondent's records indicate that the notice required by Section 615(b) of the Fair Credit Reporting Act was previously given to the applicant, respondent shall be deemed to be in compliance with this provision of the order as to each such applicant.

(b) *Provided further*, that the notice required by this paragraph may be combined, where appropriate, with the notice required under Paragraph 6, Part I, hereof.

5. Respondent shall not be liable for a civil penalty for any violation of Part II of this order if it shows by a preponderance of the evidence that any such violation was caused by an inadvertent error.

* For reasons of economy, not reproduced herein.

PART III

1. *It is further ordered*, That respondent shall preserve evidence of compliance with the requirements imposed under this order for a period of not less than three (3) years after respondent notifies each applicant of the reasons for denial pursuant to Paragraph 6 of Part I of this order, the right to request the name and address of any consumer reporting agency pursuant to Paragraph 2 of Part II of this order, and the right to request the nature of third party information pursuant to Paragraph 4 of Part II of this order. Respondent shall upon request permit Commission representatives to inspect such records.

2. *It is further ordered*, That respondent notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, arrangement or sale resulting in the emergence of successor corporations, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations arising out of the order.

3. *It is further ordered*, That respondent shall:

(a) Within sixty (60) days after service of this order, submit to the Commission a written report setting forth in detail the manner and form in which it has complied with Paragraphs 1, 2, 3, 4, 5, 6, 7, 8, and 15 of Part I of this order and Paragraphs 1 and 3 of Part II of this order, and the manner and form in which it intends to comply with Paragraphs 9, 10, 11, 12, 13, 14, and 17 of Part I of this order and Paragraphs 2 and 4 of Part II of this order.

(b) Within one hundred and eighty (180) days after service of this order submit to the Commission a supplemental written report setting forth the manner and form in which it has complied with Paragraphs 9, 10, 12, 13, 16, and 17 of Part I of this order and Paragraphs 2 and 4 of Part II of this order.

(c) Once a year for five (5) years, submit to the Commission a supplemental written report setting forth the manner and form in which it has complied with Paragraphs 11 and 14 of Part I of this order. These five (5) annual periods shall begin the day after service of this order and such supplemental reports shall be submitted within ten (10) days after the close of each annual period.

APPENDIX A

[A copy of ECOA, Regulation B, and FCRA as required by Definitions (a), (b) and (c).]

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APPENDIX B

DATE:

Thank you for your recent application for credit privileges which was referred to Westinghouse Credit Corporation by [name of retail dealer]. We regret that we have declined your application at this time, based upon the following factors (appropriate box[es] is [are]) checked or information provided.

STATEMENT OF CREDIT DENIAL OR TERMINATION

Applicant's Name:

Applicant's Address:

Description of Transaction: New Application Add on to Existing Account

PRINCIPAL REASON(S) FOR ADVERSE ACTION CONCERNING CREDIT

1. Insufficient credit references
2. Unable to verify credit references
3. Temporary or irregular employment
4. Unable to verify employment
5. Length of employment
6. Insufficient income
7. Excessive obligations
8. Unable to verify income
9. Too short a period of residence
10. Temporary residence
11. Unable to verify residence
12. No credit file
13. Insufficient credit file
14. Delinquent credit obligation(s)
15. Garnishment, attachment, foreclosure, repossession or suit
16. Bankruptcy
17. Insufficient credit experience with WCC to warrant additional credit
18. Applicant rejected WCC offer of reduced amount of credit
19. Failure to meet _____% down payment requirement
20. _____ times delinquent with WCC account number _____
21. Credit application incomplete because of _____

Other _____

DISCLOSURE OF USE OF INFORMATION OBTAINED FROM AN OUTSIDE SOURCE

No information from a consumer reporting agency or an outside source other than a consumer reporting agency was used in whole or in part as a basis for the adverse action. Additional disclosure inapplicable.

Information obtained in a report from a consumer reporting agency. If you have any questions about the report, you may contact the agency.

Name:

Phone:

Address:

Information obtained from an outside source other than a consumer reporting agency. Under the Fair Credit Reporting Act, you have the right to make a written request, within 60 days of receipt of this notice, for disclosure of the nature of the adverse

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information. Write or call Westinghouse Credit Corporation at the address appearing at the top of this letter.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the legal capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Very truly yours,

Westinghouse Credit Corporation
District Manager

WC 486

APPENDIX C

Dear :

Our records show that Westinghouse Credit Corporation denied your application for consumer credit within the last two years. In most circumstances, the Equal Credit Opportunity Act requires WCC to give its applicants for consumer credit whose applications were denied the right to be told the specific reasons for the denial.

Our records show that you may not have been informed of your right to request the reasons for WCC's denial of your application. If you were not so informed, or if you exercised that right but found that the reasons given to you were not meaningful or helpful, let us know within the next sixty (60) days by returning the enclosed self-addressed, postage prepaid request form. We will do our best promptly to provide you with the information you seek.

If you want more information about federal credit laws, write: Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Sincerely,

Westinghouse Credit Corporation

REQUEST FORM

Yes, I would like to know the specific reasons why my application for Westinghouse credit was denied.

(Name)

(Street Address)

(City, State)

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(If possible, please note the month and year of your application to WCC.)

APPENDIX D

[ATTACH ECOA PAMPHLET AS REQUIRED BY PART I, ¶ 6(a).]

APPENDIX E

Dear :

The Equal Credit Opportunity Act and Regulation B prohibit discrimination on the basis of sex, marital status, race, religion, national origin, age, receipt of public assistance or exercise of rights under federal consumer credit laws. Some months ago the Federal Trade Commission initiated an investigation of Westinghouse Credit Corporation and other national credit companies relating to their compliance with the Equal Credit Opportunity Act. On [date], WCC entered into a consent agreement with the FTC, which terminated the investigation of WCC. A copy of that agreement, with its incorporated order, is enclosed.

Many of the provisions of the consent order concern only WCC's internal procedures and have no bearing whatsoever on the operations of its dealers. For example, the order contains detailed provisions governing the mailing of notices by WCC to applicants against whom adverse action has been taken and provisions concerning the education of WCC employees with respect to the requirements of the Equal Credit Opportunity Act and Regulation B.

There are, however, other provisions in the consent order that directly or indirectly affect WCC's relationship with your company and with other retail dealers. Under those provisions WCC has agreed:

To furnish to you the various materials enclosed with this letter, including a copy of the consent order referred to above, a copy of the Equal Credit Opportunity Act and Regulation B, and a copy of certain written materials summarizing the requirements of the statute and regulations.

To meet once a year with your employees for the purpose of discussing and answering questions about WCC's policies concerning compliance with the requirements of the Equal Credit Opportunity Act and Regulation B as they relate to applications referred to WCC.

To make available to you, upon request, an equal-opportunity-in-credit sign, for display in your place of business.

To require you to furnish to WCC complete and legible copies of all documents received by you relating to credit applications referred to WCC.

WCC has agreed to these provisions for two reasons. First, it is the FTC Staff's opinion that under certain circumstances WCC itself could be liable for civil penalties if retail dealers with whom WCC has an agreement or a course of dealing (whereby WCC purchases sales finance contracts) violated the Equal Credit Opportunity Act. To protect itself against such possible liability, as well as because of its general policy of supporting the protection of rights of consumers in credit transactions, WCC has agreed to and intends to comply fully with the provisions of the consent order set forth above concerning WCC's relationship with retail dealers. Second, WCC believes that compli-

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ance by WCC with these provisions of its agreement will assist its dealers in avoiding problems under the Act.

WCC urges that you review the enclosed materials carefully, and that you take steps to insure that WCC receives copies of all documents received by you relating to applications for consumer credit referred to WCC. WCC's District Manager will contact you in the near future to arrange a convenient time to meet with your staff to discuss compliance with the Act.

Your assistance and cooperation in this program can be critical in protecting both WCC as well as your own company from exposure to the substantial penalties that the Equal Credit Opportunity Act provides for violation of its provisions.

Thank you for your cooperation. If you have any questions, please contact [name] at [address] [telephone number].

Sincerely yours,

Westinghouse Credit Corporation

APPENDIX F

Dear :

The Equal Credit Opportunity Act and Regulation B prohibit discrimination on the basis of sex, marital status, race, religion, national origin, age, receipt of public assistance or exercise of rights under federal consumer credit laws. Some months ago the Federal Trade Commission initiated an investigation of Westinghouse Credit Corporation and other national credit companies relating to their compliance with the Equal Credit Opportunity Act. On [date], WCC entered into a consent agreement with the FTC, which terminated the investigation of WCC.

Many of the provisions of the consent order concern only WCC's internal procedures and have no bearing whatsoever on the operations of its dealers. For example, the order contains detailed provisions governing the mailing of notices by WCC to applicants against whom adverse action has been taken and provisions concerning the education of WCC employees with respect to the requirements of the Equal Credit Opportunity Act and Regulation B.

There are, however, other provisions in the consent order that directly or indirectly affect WCC's relationship with your company and with other retail dealers. Under those provisions WCC has agreed:

To furnish to you the various materials enclosed with this letter, including a copy of the Equal Credit Opportunity Act and Regulation B and a copy of certain written materials summarizing the requirements of the statute and regulations.

To make available to you, upon request, an equal-opportunity-in-credit sign, for display in your place of business.

To require you to furnish to WCC complete and legible copies of all documents received by you relating to credit applications referred to WCC.

WCC has agreed to these provisions for two reasons. First, it is the FTC Staff's

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opinion that under certain circumstances WCC itself could be liable for civil penalties if retail dealers with whom WCC has an agreement or a course of dealing (whereby WCC purchases sales finance contracts) violated the Equal Credit Opportunity Act. Therefore, in order to protect itself from exposure to such liability, as well as because of its general policy of supporting the protection of rights of consumers in credit transactions, WCC has agreed to and intends to comply fully with the provisions of the consent order set forth above concerning WCC's relationship with retail dealers. Second, WCC believes that compliance by WCC with these provisions of its agreement will assist its dealers in avoiding problems under the Act.

WCC urges that you review the enclosed materials carefully, and that you take steps to insure that WCC receives copies of all documents received by you relating to applications for consumer credit referred to WCC.

Your assistance and cooperation in this program can be critical in protecting both WCC as well as your own company from exposure to the substantial penalties that the Equal Credit Opportunity Act provides for violations of its provisions.

Thank you for your cooperation. If you have any questions, please contact [name] at [address] [telephone number].

Sincerely yours,

Westinghouse Credit Corporation

APPENDIX G

Dear :

Our records show that Westinghouse Credit Corporation denied your application for consumer credit within the last two years. The Fair Credit Reporting Act gives persons denied consumer credit the right to know whether the denial was based on information supplied by a consumer credit reporting agency and, if so, the name and address of such agency. Credit reports provide a variety of information to creditors including information about how many and what types of credit accounts you have, whether you are able to pay your bills, and whether you have been sued.

The Fair Credit Reporting Act also gives persons denied credit the right to know the substance of information relied upon in denying credit if such information was supplied by a person other than a consumer credit reporting agency. For example, you can find out whether a creditor considered information from your employer concerning your salary or the period of time which you have been employed, or information from your landlord about how much rent you pay or how long you have lived at a given address.

Our records show that you may not have been informed about whether WCC used information from a credit bureau or from some other person in considering your application. If you would like to find out whether such information was taken into account, please fill out and return the enclosed self-addressed, postage prepaid request form.

One reason that you may want to return the enclosed form is to see whether credit report or third party information is accurate. If such information is wrong, you may be able to correct it and improve your chances to get credit.

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If you want more information about the federal credit laws, write: Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Sincerely,

Westinghouse Credit Corporation

REQUEST FORM

YES, I would like to know whether my application was denied because of information supplied by a credit bureau. If so, please supply me with the name and address of the credit bureau.

I would also like to know whether my application was denied because of information received from a third person other than a credit bureau.

If my application was denied because of information received from a third person,

I do

I do not

want WCC to describe this information to me.

Thank you.

[Name]

[Street Address]

[City, State]

(If possible, please note the month and year of your application to WCC.)

APPENDIX H

If you ask the credit bureau to disclose the nature and substance of information in your file *within thirty days* after you receive this notice, the bureau cannot charge you a fee for the disclosure.

APPENDIX I

[Attach FCRA pamphlet as required by Part II, ¶ 2(c).]