

# news

## THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT DALLAS

southwestern medical school - graduate school of biomedical sciences - school of allied health sciences

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\*\*\*\*\*"Current Credit Practices" Panel  
at The University of Texas  
Health Science Center at Dallas

DALLAS--"You can't get credit unless you have credit." This situation was discussed by a panel presented July 21 by the Women's Action Group of The University of Texas Health Science Center at Dallas.

The discussion, "Current Credit Practices Applicable to All of Us," nevertheless focused mainly on credit discrimination against women, especially divorced and widowed women.

Panel members were Vicki Downing, chairperson of the Advisory Board, Women's Southwest Federal Credit Union; Les McKee, director of membership and marketing, Dallas Teachers Credit Union; Dick West, senior attorney, regulations department, Federal Reserve Bank of Dallas; and Richard C. Moitz, area manager, Retailers Commercial Agency, Inc. Carol Udel, television instructor and acting director of Audiovisual and Television Services at UTHSCD, was panel moderator.

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first add credit panel

Downing said women need to be educated to their existing rights under the Equal Credit Opportunity Act (ECOA) of 1975. She said access to credit can be equated with power over one's life.

Even though the ECOA outlawed credit discrimination due to sex or marital status, credit grantors still have different standards for women. Downing reported that a widow could not get credit cards in her own name but was able to get them in the name of her husband who had been dead for seven years.

She advised women who feel they have been denied credit because of their sex to go to the top credit authority of the company because sometimes policies don't filter down to persons dealing with clients.

Downing suggested estate loans as an excellent first step in developing a credit record. The borrower obtains a loan from an institution which automatically places the money in a savings account, earning interest or dividends. The borrower never sees the money which is repaid in monthly installments. The interest paid on the money is tax-deductible, and the borrower is building a credit record.

She emphasized that building a credit record is a slow process--one might expect to wait six months or a year for the monthly payments to represent a good credit record to a new credit grantor. She said most lending institutions do not like to make estate loans because there is much paper work and not much profit involved.

McKee confirmed this by saying his credit union does not promote estate loans, but they will make them.

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Moitz, representing a credit reporting agency, explained the Fair Credit Reporting Act. This act enables the consumer to find out why he or she has been refused credit. Moitz outlined the procedure as follows:

The consumer must get the credit history information from the credit reporting agency. After getting the information that the credit grantor received, the consumer then talks to the credit manager of the company refusing credit to find out why credit was refused. If the consumer feels the denial was unfair, he or she may give the manager his or her side of the story. The consumer may also go to the creditor who reported unfair information and get that creditor to change the information with the reporting agency.

If the denial was based on sex or marital status discrimination, the consumer may call the Federal Reserve Bank of Dallas at 651-6169 for referral to the proper enforcement agency.

"Good credit follows the husband, bad credit follows the wife," said one member of the audience, and most of the questions from the audience dealt with credit and marital status.

The panel's responses to these questions follow:

Under the ECOA credit grantors can no longer ask whether an applicant is divorced. They can ask whether an applicant is married, unmarried or separated.

In Texas, a community property state, credit grantors can ask for information about spouses, including income because the spouse's income is community property.

A woman can legally keep her accounts in her maiden name when she marries. Separate accounts are advisable if she wants to maintain her own credit history.

If a married woman wants to establish credit in her own name, she should apply for new credit cards in her own name (first name, not husband's--Mrs. John Doe) with a new account number. Many stores issue cards with the wife's name on the card, but with the joint account number. These do nothing to establish the wife's credit.

A divorced person is not liable for debts awarded to the other person in the divorce settlement.

A divorced woman can sometimes use the couple's credit history if she can prove to a credit grantor that she managed the couple's money or in some other way was responsible for repayment of the couple's debts. This may be hard to prove, but "you have the right to present your own credit history to the credit grantor," said West.