

lending responsibility if its marketing practices and business relationships with developers and real estate brokers improperly restrict its clientele to segments of the community. A review of marketing practices could begin with an examination of an association's loan portfolio and applications to ascertain whether, in view of the demographic characteristics and credit demands of the community in which the institution is located, it is adequately serving the community on a nondiscriminatory basis. The Office will systematically review marketing practices where evidence of discrimination in lending is discovered.

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PART 535—PROHIBITED CONSUMER CREDIT PRACTICES

Sec.

- 535.1 Definitions.
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AUTHORITY: Sec. 18, as added by sec. 202, 88 Stat. 2193, as amended (15 U.S.C. 57a).

SOURCE: 54 FR 49479, Nov. 30, 1989, unless otherwise noted.

§ 535.1 Definitions.

(a) *Act*. For the purposes of this part, “Act” means the Federal Trade Commission Act, 15 U.S.C. 41 *et seq.*

(b) *Consumer*. The term “consumer” means a natural person who seeks or acquires goods, services, or money for personal, family, or household purposes, and who applies for or is extended “consumer credit” as defined in § 561.12 of this chapter.

(c) *Cosigner*. The term “cosigner” means a natural person who assumes liability for the obligation of a consumer without receiving goods, services, or money in return for the obligation, or in the case of an open-end credit obligation, without receiving the contractual right to obtain extensions of credit under the account. The term shall include any person whose signature is requested as a condition to granting credit to a consumer, or as a condition for forbearance on collection

of a consumer's obligation that is in default. The term shall not include a spouse or other person whose signature is required on a credit obligation to perfect a security interest pursuant to state law. A person is a cosigner within the meaning of this definition whether or not he or she is designated as such on a credit obligation.

(d) *Creditor*. The term “creditor” means a savings association.

(e) *Debt*. The term “debt” means money that is due or alleged to be due from one to another.

(f) *Earnings*. The term “earnings” means compensation paid or payable to an individual or for his or her account for personal services rendered or to be rendered by him or her, whether denominated as wages, salary, commission, bonus, or otherwise, including periodic payments pursuant to a pension, retirement, or disability program.

(g) *Household goods*. The term “household goods” means clothing, furniture, appliances, linens, china, crockery, kitchenware, and personal effects of the consumer and his or her dependents, provided that the following are not included within the scope of the term “household goods”:

- (1) Works of art;
- (2) Electronic entertainment equipment (except one television and one radio);
- (3) Antiques, i.e., any item over one hundred years of age, including such items that have been repaired or renovated without changing their original form or character, and
- (4) Jewelry (other than wedding rings).

(h) *Savings association*. For purposes of this part, the term “savings association” includes any savings association, and any service corporation that is wholly owned by one or more savings association, that engages in the business of providing credit to consumers.

(i) *Obligation*. The term “obligation” means an agreement between a consumer and a creditor.

(j) *Person*. The term “person” means an individual, corporation, or other business organization.

§ 535.2 Unfair credit practices.

(a) In connection with the extension of credit to consumers after January 1,