



FEDERAL TRADE COMMISSION

Consumer Information

consumer.ftc.gov

Credit Discrimination

Federal law gives you protections when you deal with any organizations or people who regularly extend credit. That includes, for example, banks, small loan and finance companies, retail and department stores, credit card companies, and credit unions. Everyone who participates in the decision to grant credit or in setting the terms of that credit, including real estate brokers who arrange financing, must comply with the Equal Credit Opportunity Act (ECOA).

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Your Equal Credit Opportunity Rights

The Equal Credit Opportunity Act (ECOA) makes it illegal for creditors (also known as banks, mortgage companies, small loan and finance companies, credit unions, retail and department stores, credit card companies, other online companies offering credit, and people who arrange for credit) to discriminate against you. The discrimination prohibition of this law applies to every part of the credit process: when you're seeking credit, when a creditor evaluates your income, and when a creditor makes credit decisions.

There are many forms of credit discrimination, and some forms are harder to spot than others. To make it more challenging, creditors often must ask about (and consider) information that is deeply personal — like your income, expenses, debts, and credit history. And, the federal government encourages creditors to collect certain information that may seem discriminatory — for example, race, ethnicity, and age. But this information helps the government keep statistics that fight discrimination. Below are some examples of what is (and what is not) illegal credit discrimination under the ECOA.

When Is It Credit Discrimination?

To ensure equal access to credit, creditors must not consider certain factors when making a credit determination. These factors include

- race
- color

- religion
- national origin
- sex, including sexual orientation and gender identity
- marital status
- age
- whether all (or part) of a person's income comes from public assistance
- whether the applicant has in good faith acted on one of their rights under the federal credit laws (like if you exercised your right to [dispute errors in your credit report](https://www.consumer.ftc.gov/articles/disputing-errors-your-credit-reports) (<https://www.consumer.ftc.gov/articles/disputing-errors-your-credit-reports>).

During the application process or when making a credit decision, a creditor

- **must not give you different terms or conditions, like a higher interest rate or higher fees** (based on any of these factors)
- **must not discourage you from applying or reject your application for a loan** (based on these specific factors: your race, color, religion, national origin, sex, marital status, age and whether your income comes from public assistance or whether you've acted on your rights under the federal credit laws)
- **must not consider the racial composition of the neighborhood** where you want to buy, refinance, or improve a house with money you're borrowing
- **must not consider your religion**
- **must not consider your race or sex, including sexual orientation and gender identity**
 - But a creditor may ask you to voluntarily disclose this information because it helps federal agencies enforce anti-discrimination laws.
- **must not consider your national origin**
 - But a creditor may consider your immigration status and whether you have the right to stay in the country long enough to repay the debt.
- **must not consider your age unless**
 - You're too young to sign contracts, which generally means under 18.
 - You're at least 62, and the creditor will favor you because of your age.
 - Your age is used to determine the meaning of other factors important to creditworthiness. For example, a creditor could use your age to determine if your income might drop because you're about to retire.
 - Your age is used in a valid credit scoring system that favors applicants 62 and older. A credit scoring system assigns points to answers you give on credit applications. For example, your length of employment might be scored differently depending on your age.

- **must not consider whether you have a telephone account in your name**
 - But a creditor can consider whether you have a phone at your residence.
- **may not ask about your marital status if you're applying for a separate, unsecured account, and you don't live in a community property state**
 - But if the application is for something other than a separate unsecured account, a creditor can ask about marital status using the terms married, unmarried, or separated (not widowed or divorced).
- **may not ask for information about your spouse, unless**
 - Your spouse is applying for credit with you.
 - Your spouse will be allowed to use the account.
 - You're relying on your spouse's income or on alimony or child support income from a former spouse.
 - You live in a community property state.
- **may not ask about your plans for having or raising children**
- **may not ask if you get alimony, child support, or separate maintenance payments**
 - Unless they tell you first that you don't have to provide this information if you aren't relying on these payments to get credit.
 - But a creditor may ask if you have to pay alimony, child support, or separate maintenance payments.

When evaluating your income, a creditor

- **may not refuse to consider reliable public assistance income** the same way as other income
- **may not discount income because of your sex or marital status.** For example
 - A creditor cannot count a man's salary at 100 percent and a woman's at 75 percent.
 - A creditor cannot assume a younger woman will stop working to raise children.
- **may not discount or refuse to consider some income** because it comes from part-time employment, Social Security, pensions, or annuities
- **may not refuse to consider reliable alimony, child support, or separate maintenance payments**
 - But a creditor may ask you for proof that you get this income consistently.

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You Have Other Important Rights

When you get credit, you have the right to

- have credit in your birth name (Mary Smith), your first and your spouse's last name (Mary Jones), or your first name and a combined last name (Mary Smith Jones)
- **get credit without a cosigner**, if you meet the creditor's standards
- **have a cosigner other than your spouse**, if one is necessary
- **keep your own accounts** after certain events, including changes to your name or marital status, or upon retirement, unless the creditor has evidence that you're not willing or able to pay
- **know whether your application was accepted or rejected** within 30 days of filing a complete application
- **know why the creditor rejected your application.** The creditor must
 - tell you the specific reason for the rejection (for example, "your income was too low" or "you haven't been employed long enough") or
 - tell you that you are entitled to learn the reason if you ask within 60 days
- **learn the specific reason the creditor offered you less favorable terms than you applied for**, but only if you reject these terms. For example, if the creditor offers you a smaller loan or a higher interest rate, and you don't accept the offer, you have the right to know why those terms were offered.
- **find out why your account was closed or why the terms of the account were made less favorable**, unless the account was inactive or you didn't make payments as agreed

If You Suspect Credit Discrimination

- **Report violations to the appropriate government agency.** If you've been denied credit, the creditor must give you the name and address of the agency to contact. Different federal agencies, including the FTC, share enforcement responsibility for the ECOA.
 - For answers to frequently asked questions on topics like bank accounts, deposit insurance, credit cards, consumer loans, insurance, mortgages, and safe deposit boxes, and for other information about federal agencies that have responsibility for financial institutions, go to
 - the [Consumer Financial Protection Bureau \(http://www.consumerfinance.gov/\)](http://www.consumerfinance.gov/) or
 - [HelpWithMyBank.gov \(http://www.helpwithmybank.gov/\)](http://www.helpwithmybank.gov/), a site maintained by the Office of the Comptroller of the Currency

- **Report your concerns to the creditor.** Sometimes you can persuade the creditor to reconsider your application.
- **Check the site of your state attorney general's office** (<https://www.consumerresources.org/file-a-complaint/>) for information about the state's equal credit opportunity laws. You may be able to see if the creditor violated state laws.
- **Consider suing the creditor in federal district court.** If you win, you can recover your actual damages. The court might award you punitive damages under certain circumstances. You also may recover reasonable lawyers' fees and court costs. Or you might consider finding other people with the same claim, and get together to file a class action suit.

Building and Protecting Your Credit History

A good [credit history](https://www.consumer.ftc.gov/articles/understanding-your-credit) — a record of how you pay your bills and if you pay on time — often is necessary to get credit. This can be hard for young people to establish when they're just starting out and don't have a history of paying their own bills. The same problem can happen to some people who changed their legal name — due to marriage, separation, divorce, death of a spouse, or gender transition. When you build a credit record under one name, but then legally change your name, it may appear that you don't have a credit history in your own name. If you legally changed your name — after getting married, separated, divorced, widowed, or transitioning: Contact the credit bureaus to make sure all relevant bill payment information is in a file under your current name.

Your credit report includes information on where you live, how you pay your bills, and whether you've filed for bankruptcy. National credit bureaus sell the information in your report to creditors, insurers, employers, and other businesses that, in turn, use it to evaluate your applications for credit, insurance, employment, or renting a home.

The Fair Credit Reporting Act (FCRA) entitles you to a [free copy of your credit report](https://www.consumer.ftc.gov/articles/free-credit-reports) from each of the three national credit bureaus — Equifax, Experian, and TransUnion — once every 12 months, if you ask. You can get the reports all at once or stagger your requests to keep an eye on things throughout the year. Always review your reports carefully and [correct any mistakes](https://www.consumer.ftc.gov/articles/disputing-errors-your-credit-reports).

- To order your report
 - visit [AnnualCreditReport.com](http://www.annualcreditreport.com/) or
 - call 1-877-322-8228
 - complete the [Annual Credit Report Request Form](https://www.consumer.ftc.gov/sites/www.consumer.ftc.gov/files/articles/pdf/pdf-0093-annual-report-request-form.pdf) and mail it to:
 - Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

Through the pandemic, everyone in the U.S. can get a free credit report each week from all three national credit bureaus (Equifax, Experian, and TransUnion) at [AnnualCreditReport.com](http://www.annualcreditreport.com/). Also, everyone in the U.S. can get six free Equifax credit reports per

year through 2026 by visiting the [Equifax website \(https://www.equifax.com/personal/credit-report-services/free-credit-reports/\)](https://www.equifax.com/personal/credit-report-services/free-credit-reports/), or by calling 1-866-349-5191. That's in addition to the one free Equifax report (plus your Experian and TransUnion reports) you can get at [AnnualCreditReport.com \(http://www.annualcreditreport.com/\)](http://www.annualcreditreport.com).

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