

March 23, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H.R. 6516 - Equal Credit Opportunity Act Amendments of 1976. This bill prohibits discrimination in credit transactions on the basis of race, color, religion, national origin, age, receipt of public assistance, or exercise of credit rights under law and to make other changes in the Equal Credit Opportunity Act.

The bill will extend that Act to prohibit credit discrimination based on race, color, religion, national origin, age, receipt of public assistance benefits and exercise of rights under the Consumer Credit Protection Act. Creditors will be permitted to inquire about and to consider an applicant's marital status, participation in a public assistance program, and age if the information sought is not used in a biased, unscientific, and arbitrary manner to affect credit-worthiness.

H.R. 6516 will also require creditors to respond within 30 days (except when the Federal Reserve Board allows a longer period) to any credit application and to provide, as a minimum, a statement of specific reasons when refusing an applicant, if requested.

The bill will raise the ceiling on punitive damages for class action civil liability suits under the existing Equal Credit Opportunity Act from the present formula of the lesser of \$100,000 of net worth. H.R. 6516 will allow private citizens as well as the Attorney General to bring suits where discrimination in credit transactions has occurred.

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