

Educating Women About Credit Rights

By FRANCES CERRA

At some point in their lives, 85 percent of the women who are now married will become single again, either through divorce or the death of their husbands, according to the United States Census Bureau. And when that happens, if they have never had a credit card, checking or savings account in their own name, financial survival may be a struggle.

It was with this in mind that Congress passed the Equal Credit Opportunity Act, which guarantees married women not only the right to credit in their own names but also the potential for building their own credit history on the basis of accounts previously listed only in their husbands' names, but which they had used as well.

It appears, however, that many women are not taking advantage of those rights.

Between June 1 and Oct. 1, banks, department stores, oil companies and other credit institutions sent out 310,000,000 notices informing women of their rights to have jointly used accounts listed in their own names. The mailing was required by the law. A spot survey conducted by the Commercial Credit Corporation, a large lending company, has found a response rate of only 9 percent on average.

"It's very disappointing," said Shoshana Cardin, chairman of the Maryland Commission for Women. "We estimated that 25 percent of the women would become aware of the need to have credit in their own names.

"On the basis of my own casual inquiry, it appears that many women didn't understand why they need a credit history or that their husbands didn't want them to have one because they were afraid that the stability of their marriage would be threatened if the women became independent."

Mrs. Cardin, who counsels women on credit problems and has been involved in national efforts to educate women on their credit rights, gave two examples to illustrate why women need a credit history. She told first of a divorced woman in Maryland who had applied for an oil company credit card.

Opening an Account

Women who use a credit card that is in their husband's name are entitled to have it listed in their own name as well. They need only inform the store or bank, in writing, that they want this done to begin building their own credit history.

More information about this right, and others granted women under the Equal Credit Opportunity Act, is in a free 28-page booklet called "Women: To Your Credit" that can be obtained by writing to Commercial Credit Corporation, Baltimore, Md. 21202.

Despite the fact that she had a job that paid more than \$10,000 a year, she was turned down because of an inadequate credit history. After Mrs. Cardin interceded, the company issued the woman a special card that expired in nine months instead of the usual three years. In effect, she had been put on trial and would have to prove her reliability.

Another woman had been a widow for 11 years and had maintained her accounts in her husband's name with a Mrs. in front of it. She decided to start using her own name. But when she applied for credit, she was turned down as unqualified because of the absence of any credit history. "She will now have to show that she was the Mrs. John Doe who already had this good credit history," said Mrs. Cardin. "It will be a step-by-step process rather than the automatic one that would have taken effect if she had been using her name all along."

Credit histories, which are kept by specialized businesses called credit bureaus, are simply records of a person's loans and repayments. In the past, even when a husband and wife jointly applied for a loan or a credit card, and the woman was legally responsible for the debt, the bank or credit card company would record the account only in the name of the husband. In effect, the wife did not exist.

Today, all new joint loans or accounts must be recorded in both names, but old accounts will continue the way they have been unless the wife asks that her name be used as well.

An Insert Program

The 310,000,000-piece mailing was intended to take care of all these old accounts, although women can still ask to be listed simply by writing a letter to the bank or company involved.

Mrs. Cardin said that another reason women may not have responded to the notices was that the notices were sent primarily as inserts with regular monthly bills. Thus, the cards may have been thrown out reflexively with other junk mail or discarded by husbands paying the bills, who may have considered them unimportant.

In fact, the response to the mailing is considered high when compared to the usual draw of bill inserts, according to Larry Kopp, a marketing vice president of Citibank. "I have never seen an insert program pull this high," he said. Citibank's response rate was somewhere between 4 and 7 percent, he said, but that takes in all accounts, including those held by single people. When only Mastercharge accounts with two cards outstanding are considered, the rate may be as high as 20 percent when final figures are in.

Mrs. Cardin suggested that what is needed now is a campaign by the media and women's groups to educate women about their credit rights and to "explain to husbands that an independent credit history is not a threat, just a form of insurance for the future, and an educational process for the woman."