



## Lenders Must Give Reason for Denying Credit Starting Thursday

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A new law goes into effect Thursday that requires creditors to inform consumers why they were rejected for a loan, the [Chicago Sun-Times](#) reports.

As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, consumers who are rejected for student loans, automobile loans or credit card applications are entitled to receive a free copy of their credit score and an explanation of why they were turned down. The reasons can range from late payments to maxing out credit cards. Creditors are also supposed to explain where the score, known as FICO, ranks nationally, and outline the factors that brought the score down.

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