



# Illinois Department of Financial and Professional Regulation

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## Division of Financial Institutions

### CREDIT UNION FAQ'S

#### For Members of Credit Unions

**Q. How do I file a complaint?**

- A. To file a complaint, electronically please [click here](#) or to file a written complaint via mail please [click here](#).

The credit union member is the only person who can initiate a complaint, unless the member is deceased. The complaint must include:

1. The name of the credit union.
2. The date of the potential violation.
3. Details of the situation, including supporting documentation.
4. Name, mailing address, Email address, and daytime phone number of complainant.

After review, a copy of the complaint letter and supporting documentation that was provided will be sent to the state-chartered credit union in question. The credit union has ten business days to respond to the complaint. A letter of acknowledgement will be sent via Email to the complainant (or hard copy if no email). Once the credit union's response is received, it will be reviewed by a State of Illinois Credit Union Examiner to determine if the complaint is a regulatory issue or a legal matter. After the review a written response from the Department, along with the response from the credit union will be sent via Email, (or hard copy if no Email), to the complainant.

**Q. Can a credit union hold my car title, for example, if my car loan is current, but I have defaulted, or have been late paying, on a different loan with the same credit union?**

- A. Yes, if it is disclosed as part of the loan agreement. The term "cross collateralization" is a term that is used when the collateral for one loan is also used as collateral for another

loan as well. Most standard loan agreements state that property securing other loans with a credit union also secures the second loan. For example, when an auto loan is paid off, but there is still an outstanding loan which is past due, in this case, the credit union may hold the title of the auto loan until the overdue loan is brought up to date or is paid in full. Check your agreement and with your credit union for more specific information.

**Q. Can a credit union take money from my Share (savings) or Share Draft (checking) account, or possibly freeze my account if I am late on a loan or credit card payment?**

A. Yes. This is called “Right to Offset.” The balance in your share account (unless it is an IRA), is considered collateral. Therefore, it can be used to cover late payments, or the account may be frozen until the loan payments are brought current. Most standard loan agreements state that a credit union may enforce a statutory lien against your shares and dividends, and, if any, interest and deposits in all individual and joint accounts you have with them in order to satisfy any outstanding financial obligation due and payable to the credit union. It is further stated that they may exercise their right to enforce the lien without further notice.

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