



STATE OF ALABAMA STATE BANKING DEPARTMENT



HOUSEHOLD FINANCE FAQ'S

On December 16, 2002, Alabama formally entered into a settlement with Household Finance – a national mortgage company headquartered in Illinois. The terms of the settlement provide that Household will pay Alabama consumers \$3, 483, 857 in restitution for alleged unfair and deceptive lending practices. Below, we have attempted to address some frequently asked questions regarding the settlement.

1. Who is affected by this settlement and are all Household customers eligible to receive a payment?

If you obtained a Household real estate loan, including a personal homeowner loan, between January 1, 1999 and September 30, 2002, you may be eligible to receive a settlement check. All other customers are not eligible to receive payment.

2. How can I check to make sure that my name is on the list to receive money in this settlement?

Household is providing the names of all consumers who are eligible to receive a settlement check to a settlement administrator. This administrator will send out information on the settlement to consumers, send claim forms, and disburse the checks.

3. How much will consumers receive and will all consumers receive the same amount?

No. All consumers will not receive the same amount of money and the amount will depend on a number of factors including the number of consumers who file claims and the severity of those claims.

4. When will consumers receive payment from the settlement?

We hope that consumers who are affected by the settlement will receive payment in mid-late December of 2003. However, consumers must sign a release and agreement form acknowledging their participation in the settlement. Consumers will receive this information from the settlement administrator in August with a detailed explanation.

5. Once I receive information about participating in the settlement, how long can I take to make a decision?

This information will be provided in the settlement notice.

6. Do I need an attorney?

No, however, if you feel that you need or would like to have legal representation, then you may contact a private attorney.

7. Am I still eligible to participate in the settlement if I have sold my home, refinanced my loan, or if my home has been foreclosed?

Yes. If your loan was obtained during the period from January 1, 1999 through September 30, 2002, you are eligible to participate in the settlement.

8. If I accept the settlement amount, can I take other actions against Household?

Your acceptance of the settlement is optional. If you sign a release indicating your participation in this settlement, you are agreeing not to take other legal actions against Household. However, if your home is in foreclosure or threatening to be foreclosed, you may have a limited right to sue. You may want to consult a private attorney to assist you in making a decision regarding the settlement.