

(ii) SEND TO THE BUYER A WRITTEN NOTICE WHICH SETS FORTH IN A CLEAR AND DEFINITIVE MANNER THE REASONS WHY THE HOLDER BELIEVES THAT THE ACCOUNT WAS CORRECTLY SHOWN IN THE STATEMENT.

(E) HOLDER MAY CONTINUE COLLECTION.

NOTWITHSTANDING THE RECEIPT OF AN INQUIRY, THE HOLDER MAY:

(1) TRANSMIT TO THE BUYER REGULAR PERIODIC BILLING STATEMENTS WHICH INCLUDE THE AMOUNT BELIEVED BY THE BUYER TO BE A BILLING ERROR; AND

(2) UNDERTAKE COLLECTION OF ANY AMOUNT WHICH THE BUYER DOES NOT DISPUTE UNDER THIS SECTION.

(F) HOLDER TO DESCRIBE PROCEDURE.

ON OR BEFORE THE FIRST BILLING STATEMENT FOR A NEW ACCOUNT, THE HOLDER SHALL SEND TO THE BUYER A WRITTEN NOTICE WHICH DESCRIBES THE PROCEDURES TO BE FOLLOWED BY A BUYER UNDER THIS SECTION TO CLAIM A BILLING ERROR.

(G) PROHIBITED COMMUNICATIONS.

ON RECEIPT OF AN INQUIRY UNDER THIS SECTION, UNTIL THE HOLDER HAS COMPLIED WITH THE PROVISIONS OF THIS SECTION, HE MAY NOT COMMUNICATE TO ANY PERSON, INCLUDING ANY CREDIT BUREAU OR CREDIT REPORTING AGENCY, UNFAVORABLE CREDIT INFORMATION CONCERNING THE BUYER AND BASED ON THE BUYER'S FAILURE TO PAY THE AMOUNT BELIEVED BY HIM TO BE A BILLING ERROR.

(H) CIVIL PENALTIES.

IF A HOLDER OF AN ACCOUNT RECEIVES A WRITTEN INQUIRY FROM A BUYER UNDER THIS SECTION AND FAILS TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION, THEN:

(1) IF THE DISPUTED AMOUNT IS NOT A BILLING ERROR, THE HOLDER:

(i) MAY PROCEED TO COLLECT THE DISPUTED AMOUNT; AND

(ii) SHALL FORFEIT THE RIGHT TO COLLECT ANY FINANCE CHARGE ASSESSED ON THE ACCOUNT IN CONNECTION WITH THE DISPUTED AMOUNT FROM THE DATE OF THE MAILING OF THE WRITTEN INQUIRY TO THE DATE THE HOLDER COMPLIES WITH THIS SECTION; OR

(2) IF THE DISPUTED AMOUNT IS A BILLING ERROR, THE HOLDER: