

WASHINGTON, DC - The U.S. House of Representatives passed today the Credit Cardholders' Bill of Rights (H.R. 627) - sweeping legislation that will protect consumers from abusive tactics by credit card companies that continue to drive so many Americans deeper and deeper into debt. Congressman Steny H. Hoyer (D-MD) lauded the bill as a major consumer rights measure that will provide tough new protections for credit cardholders facing excessive credit card fees, sky-high interest rates, and unfair, incomprehensible agreements that credit card companies revise at will. The bill passed with a large bipartisan vote of 357-70.

“Countless numbers of Americans who play by the rules have experienced unfair and deceptive practices by credit card companies that have driven them deeper into debt,” **stated Congressman Hoyer.**

“The Credit Cardholders' Bill of Rights reclaims the rights of consumers to protect themselves against unfair schemes and make financial decisions based upon clear and accurate information. This is one more step in our efforts to assist responsible, hardworking Americans who should not be subjected to these practices at any time, much less during a recession.”

The Credit Cardholders' Bill of Rights levels the playing field between card issuers and cardholders by applying common-sense regulations that would ban retroactive interest rate hikes on existing balances (except when payments are more than 30 days late), double-cycle billing, and due-date gimmicks. It also prohibits charging fees just to pay a bill by phone, charging over-the-limit fees unless a consumer opts-in in advance, or issuing credit cards to minors. And it increases the advance notice of impending rate hikes, giving cardholders the information they need to make important financial decisions.

Abusive credit card practices have contributed to America's bulging credit-card debt, which last year increased the debt burden of cardholders to a record high of nearly \$1 trillion. According to the Government Accountability Office, almost half of American families currently carry a balance at an average of \$7,300. One-fifth of those carrying credit-card debt pay an interest rate above 20 percent. In 2008, credit-card issuers imposed \$19 billion in penalty fees on families with credit cards; this year, card companies will break all records for late fees, over-limit charges, and other penalties, pulling in more than \$20.5 billion.

“Excessive credit card fees, arbitrary interest rate hikes and confusing terms that are revised without notice have swelled individual credit-card debt to record levels and increased the burden on families struggling in this economic recession,” **stated Rep. Hoyer.**

"The Credit Cardholders' Bill of Rights puts and end to so many of the gimmicks that have left consumers frustrated and deeper in debt and establishes a new set of rules that require fairness and honesty in consumer lending."

The Credit Cardholders' Bill of Rights is also part of the long-term plan to rebuild America's economy in a way that is consistent with the values of responsibility and hard work and is built on a solid foundation of growth, not high-flying finance schemes, overheated housing markets and maxed-out credit cards.

[A full summary of the protections included in the Credit Cardholder's Bill of Rights can be found HERE.](#)

The bill is supported by consumer organizations (Consumers Union, Consumer Federation of America, Center for Responsible Lending, National Consumer Law Center, Consumer Action, National Community Reinvestment Coalition), civil rights groups (Leadership Conference on Civil Rights, National Council of La Raza, NAACP), public interest groups (Public Citizen, U.S. PIRG), and labor unions (AFL-CIO, SEIU) and National Small Business Association.

[1] *Industry consultant R.K. Hammer, Consumer Reports, 3/17/09*

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