



## ***Credit Cards: A Call for Reform***

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### ***Consumers Union, Consumer Action, the Consumer Federation of America and U.S. PIRG have called for lawmakers and regulators to:***

- Give consumers personalized minimum payment warnings on each monthly statement, calculating the length of time—in months and years—that it will take to pay off the debt, and the total interest costs that will accrue, if the cardholder makes only the requested minimum payment.
- Include new personalized disclosure requirements in all credit card offers, including the credit limit, penalty interest rates, method of calculating the minimum monthly payment, payment-related fees, the impact of two cycle billing and universal default terms, in the “Schumer box” disclosure table in all cardholder agreements.
- Ban “elastic” contract terms that allow issuers to change terms for any reason, including no reason.
- Stop issuers from applying new higher punitive interest rates to the entire existing balance, including past purchases made at a lower interest rate.
- Prohibit punitive “universal default” interest rates based on alleged missteps with another issuer but involving no missed payments to the credit card company itself.
- Require credit card companies to follow the Internal Revenue Service (IRS) and accept the postmarked date as proof of on-time payments.
- Ensure that all fees and other charges closely match the true cost borne by the card issuer.
- Prohibit over-limit fees when the issuer approves the over limit transaction.
- Simplify credit card pricing by reducing the number of fees so that consumers can better compare offers and shop among credit cards.
- Protect young consumers from marketing practices that place them at risk of crushing debt and of ruining their financial futures.
- Increase penalties for illegal acts. Toughen Truth In Lending Act (TILA) penalties, which have stagnated since 1968 and give aggrieved consumers a private right of action to enforce the Federal Trade Commission Act to challenge unfair or deceptive practices by businesses, including banks.