



Current Congressional Proposals on Credit Cards

In 2008, [bills have been introduced in Congress](#) to rein in unfair credit card interest rate hikes and fees. Consumers Union and other national consumer groups are supporting both HR 5244 (Maloney) and S. 2753 (Menendez). Today's credit card company pricing, along with the complexity of the agreements, can trap consumers in shocking rates with inadequate disclosure. Congress needs to move these strong bills and make real and meaningful credit card reform a top priority on its 2008 agenda.

Consumers Union, and other consumer groups, urge Congress to pass legislation that would:

- Prevent late fees if the bill is postmarked by a specified date;
- Prohibit over limit fees if the card issuer approved the charge;
- Stop issuer from applying new higher punitive interest rates to the entire existing balance, including past purchases made at a lower rate;
- Require that each billing statement tell the consumer how long it would take to repay the balance, and how much it would cost, if the consumer makes only the minimum payment;
- Prohibit punitive "universal default" interest rates based on alleged missteps with another issuer but involving no missed payment to the credit card company itself;
- Improve disclosures related to artificially low "teaser rates";
- Ensure that all fees and other charges closely match the true cost borne by the card issuer;
- Ban "change of terms" that allow issuers to change terms for any reason, including no reason;
- Provide some protections to prevent overextension of credit to young borrowers; and
- Increase the penalties for credit card companies who break the law.

Now's the time for Congress to end unfair credit card companies' practices. A coalition of consumer organizations proposed significant credit card reforms in October 2006. [Read the full list of reforms](#) that will help you save money and improve your credit rights. Read what the [GAO confirmed](#) about credit card practices.

[Learn more](#) by reading the testimony presented by consumer groups before the Senate Banking Committee.

Watch out for costly credit-card practices

[Read advice](#) from *Consumer Reports* on how to protect yourself