



Summary of Credit Card Bills

Federal Legislation 2008

H.R. 5244 (Maloney) Credit Card Holders' Bill of Rights Act of 2008
(Introduced February 7, 2008)

Prohibits:

- Bait-and-switch interest rate and fee hikes for any or no reason at all during the life of the card;
- Assessing hidden and unfair interest rate charges by charging interest on balances already paid off;
- Unjustifiably maximizing interest charges by requiring consumers to pay off balances with lower interest rates before those with higher rates;
- Charging late fees when consumers mail their payments seven days in advance of the due date; and
- Applying certain unfair interest rate hikes retroactively to balances incurred under the old rate.

Federal Legislation 2007

H.R. 873 (Ackerman) Credit Card Payment Fee Act of 2007 (Introduced February 7, 2007)

- Prohibits credit card issuers from charging fees for paying credit card bill.

HR 1461 (Udall) Credit Card Accountability, Responsibility, and Disclosure Act of 2007
(Introduced March 9, 2007)

Prohibits:

- Charging fees for paying off balance in full, paying more than the minimum balance, or for non-use of card
- Charging over the limit fees if creditor approves the transaction
- Changing interest rates based on negative information unrelated to the card issuer (Universal Default)
- Issuing cards to some consumers under 18 years old without a co-signer and submission of proof of ability to repay OR proof of completion of credit counseling

Requires:

- Enhanced disclosures indicating outstanding balance, minimum monthly payments expressed in dollar figures as well as a percentage of the balance, and information detailing how much a consumer would have to pay every month to eliminate an outstanding balance in 36 months
- Payment date to be determined by postmark on payment envelope for payments sent by mail. For payments made at local branch, date of payment governs

H.R. 1510 (Price) Credit Card Repayment Act of 2007 (Introduced March 13, 2007)

S. 1176 (Akaka) Credit Card Minimum Payment Warning Act of 2007 (Introduced April 20, 2007)

Require:

- Conspicuous up-front disclosures of outstanding balance, minimum payment warning, time it would take to pay off balance if only minimum payments made, total cost to consumer for credit provided if consumer pays only minimum monthly payment due, monthly payment required to pay off outstanding balance in 36 months
- Providing consumers with a toll-free number for information about debt management services

H.R. 2146 (Ellison) Universal Default Prohibition Act of 2007 and S. 1309 (Tester) (Introduced May 3, 2007)

Prohibit:

- Changing interest rate resulting from adverse information on the consumer unrelated to the issuer account

S. 1395 (Levin) Stop Unfair Practices in Credit Card Acts of 2007 (Introduced May 15, 2007)

Prohibits:

- Double cycle billing, charging residual interest and retroactively applying interest rate increases
- Charging interest on fees including cash advance fee, late fee, over-the-limit fee, or balance transfer fee
- Imposing over-the-limit fee when credit limit is exceeded due to a penalty fee
- Charging over-the-limit fee more than once a billing cycle. No fees can be charged in subsequent billing cycles unless there is an additional purchase
- Charging cardholders fees to pay billing statement

Requires:

- Penalty interest rates capped at 7% points above pre-penalty rate
- Creditor to apply payment first to portion of the balance with highest interest rate
- Creditor must offer cardholder option for transaction to be refused rather than go over the limit. No fees for refusing transaction.

If you would like to read the text of any of these bills, go to <http://thomas.loc.gov/> and enter the bill number in the "Search Bill Text" box. Check the box that allows you to search by bill number then click on the "Search" button.

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