

*"Credit Cardholders' Bill of Rights" will halt industry abuses*

Washington, D.C. - Legislation co-sponsored by Rep. Peter Welch to protect Vermonters from abusive credit card practices passed the U.S. House today.

This morning, Welch managed the Rule governing House floor consideration for the bill.

"At a time when Vermonters are feeling a financial pinch, it's time to require fair play and put an end to unfair predatory tactics of credit card companies. [H.R. 5244](#), The Cardholders' Bill of Rights, levels the playing field by requiring credit companies to treat cardholders fairly," said Welch.

Welch added, "After the reckless dismantling of consumer protections in the mortgage, banking, and credit card industries, restoring basic consumer protections is long overdue. Vermonters who simply want to have access to credit and pay their bills are fed up with the unfair bait and switch practices of these credit card companies."

Earlier this year, Welch moderated a roundtable in Burlington on the need to restore consumer protections in the credit card industry.

Credit card debt in the United States has reached a record high- nearly \$1 trillion- and the average American household's debt from credit cards has risen from \$2,966 in 1990 to \$9,840 in 2007.

In 2007 alone, credit card companies imposed \$18.1 billion in penalties on families carrying credit card balances-up more than 50 percent since 2003 and accounting for nearly half of the \$40.7 billion in industry profits. This year, card companies will break all records for late fees, over-limit charges, and other penalties, charging consumers more than \$19 billion.

The Credit Cardholders' Bill of Rights:

- Protects cardholders against arbitrary interest rate increases
- Prevents cardholders who pay on time from being unfairly penalized, ending unfair "double-cycle" billing
- Protects cardholders from due date gimmicks
- Shields cardholders from misleading terms
- Empowers cardholders to set limits on their credit
- Requires card companies to fairly credit and allocate payments
- Prohibits card companies from imposing excessive fees on cardholders
- Prevents card companies from giving subprime credit cards to people who can't afford them
- Requires Congress to provide better oversight of the credit card industry
- Contains no rate caps, fee setting, or price controls

Welch is also the author of H.R. 6248, the Credit Card Interchange Fees Act, which cracks down on the credit card fees imposed on small businesses and impact consumer prices. The bill would require credit card companies to disclose their interchange rates, terms, and conditions to consumers, businesses, and the public. In addition, the bill will empower the Federal Trade Commission to review these rates and rules and prohibit any practices that violate consumer-protection or anti-competitive laws.

Welch added, "This bill is the beginning of important reforms to protect consumers. The other side of the coin we must address are the high fees credit card companies charge our local merchants for every single credit card transaction."