

[By Matt Ryan, Burlington Free Press](#)

Rep. Peter Welch, D-Vt., compared cracking down on credit card companies' "abusive practices" to playing Whac-A-Mole.

The Credit Card Accountability Responsibility and Disclosure Act, which took effect last week, requires more transparency from issuers and demands an end to practices such as issuing bills less than three weeks before the due date.

However, credit card companies will continue to find new ways to get money from consumers, Welch said.

"This legislation was regrettably necessary," Welch said. "It's a good thing, it's an overdue thing, but it's a long way from dealing with the real problem."

The real problem, he says, is that the law does not limit the interest a credit card company can charge, or prohibit companies from charging businesses fees whenever customers pay with a credit card.

Welch supports a bill that would cap interest rates at 16 percent, and introduced another bill that would restrict "unfair swipe fees" for businesses.

Welch, along with Sens. Patrick Leahy, D-Vt., and Bernie Sanders, I-Vt., voted for the Credit CARD Act.

Sara Varela, spokeswoman for the Consumer Credit Counseling Service of New Hampshire and Vermont, characterized two responses to the law.

"A lot of people feel that it's a great way to help consumers," Varela said. "It's going to make things clearer. But then there's the other train of thought where people are saying that it's going to be harder to access credit, that it's going to be more expensive to access credit."

Credit card fees may increase to compensate for money lost because of the legislation, she said.

On the whole, though, Varela said she welcomed the new rules.

Varela said her nonprofit, based in Concord, N.H., with offices in Barre, Brattleboro, Burlington and Rutland, has helped cardholders deal with issuer practices such as "universal default," which is prohibited under the new law.

If a cardholder had three cards, A, B and C, and consistently made payments on cards A and B but missed a payment on card C, a credit card company practicing universal default would raise the rates on all three cards.

"One of the big things that we started noticing last year was that the universal default practices were really very aggressive," Varela said.

Even with the new legislation, cardholders should continue to pay more than the minimum balance, only pay with credit if they have the cash to back it up and, when looking for a lower rate, be cautious of moving from a fixed-rate card to a variable-rate card, according to the American Institute of Certified Public Accountants, a New York-based company.