

Eshoo Lauds Passage of Legislation to Ban Abusive Credit Card Industry Practices

Wednesday, May 20, 2009

Washington, D.C. – Today, Rep. Anna G. Eshoo (D – Palo Alto) voted for the Credit Cardholders’ Bill of Rights, which provides crucial protections for consumers against deceptive credit card industry practices.

“Responsible credit card customers have watched as their interest rates triple and even quadruple — without warning and without justification,” said Rep. Eshoo. “The average amount of credit card debt per household is nearly \$10,000 and about one-fifth of customers carrying credit card debt pay more than 20% in interest. Congress has taken steps to bail out the financial system, automakers and state governments. It’s high time we help the average consumer who is struggling in the current economy.”

The legislation, which has already passed the Senate, will:

- Ban unfair rate increases and forbid abusive fees and penalties;
- End unwarranted penalties for cardholders who pay on time;
- Mandate greater transparency to give consumers clear information, such as requiring credit card companies to post their agreements online;
- Protect cardholders from due date gimmicks; and
- Prevent companies from using misleading terms and damaging consumer credit ratings.

“This bill will finally bring equity and rationale to the credit card system in our country and provide immediate financial relief to millions of Americans mired in debt,” said Rep. Eshoo.

The Credit Cardholders’ Bill of Rights (H.R. 627) passed the House with a vote of 361-64 and will now go to President Obama for his signature.

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