

Murphy Supports Bill to Expedite Credit Card Protections for Consumers

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WASHINGTON, DC - Today, Congressman Chris Murphy (CT-5) voted for the Expedited CARD Reform for Consumers Act, which speeds up implementation of a credit card reform law, known as the CARD Act, that Congress passed and the President signed earlier this year to protect consumers from unfair credit card rate increases, abusive fees, and penalties, and strengthen enforcement. The Expedited CARD Reform for Consumers Act was put to a vote in order to put an end to last minute rate increases and credit tightening leading up to the implementation of the CARD Act.

"Too many people are trapped in a never-ending cycle of debt, caused by not only their own spending habits, but by suspect credit card company practices. And as we climb our way out of this economic downturn, we've got to be vigilant and protect consumers, who are driving our recovery," said Murphy.

Leading up to the date of implementation of the CARD Act, slated for February 22, 2010, many consumers have seen an alarming increase in interest rates, minimum payments, and fees, and tightened credit limits on consumers. According to the Pew Charitable Trust, in the first half of the year, interest rates climbed an average of 20 percent on credit cards representing more than 90 percent of outstanding balances.

So today, the U.S. House of Representatives acted to protect consumers by moving up the date of implementation of the CARD Act protections to immediately following the President signing this bill into law. To ensure this new timeline is workable, the bill keeps the original effective date of February 22, 2010 for a few small credit card issuers and for prepaid gift cards, which are already printed with terms and conditions and are now on the way to retailers for the holiday season. But the expedited implementation will affect the six largest card issuers, which control over 80% of the credit card market.

The bill must now be sent to the Senate for consideration and signed into law by President Obama for these changes to occur.

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