

Card Legislation – 110th Congress

	Limit Universal Default/ Penalty Interest	Enhance Minimum Payment Disclosure	Restrict Young Adult/ Student Card Marketing	Timing Issues	Limit Fees	Limit Over-the- Limit (OTL) fees	Limit Change in Terms	Other Disclosures
Levin/ McCaskill (S. 1395)	<p>Penalty interest – Prohibits interest rate hikes on credit card accounts unless the card holder agrees to them at the time of the rate increase or it was disclosed in advance in connection with the expiration of an introductory rate, the application of a variable rate, or pursuant to the application of a penalty rate. Limits penalty interest rate increases to 7% of the current rate.</p> <p>Future debt – A rate increase only applies to future credit card debt and not to prior debt.</p> <p>Interest on fees – Prohibits charging interest on credit card transaction fees, such as late fees and over-the-limit fees.</p>			<p>Double-cycle billing – Prohibits interest charges on any portion of a credit card balance which the card holder paid on time during a grace period.</p> <p>Trailing/ Residual interest – Prohibits added interest charges on credit card balances which the card holder paid on time and in full.</p> <p>Payment allocation – Payments must be applied to the balance with the highest interest rate first.</p>	<p>Pay-to-Pay – Prohibits charging a fee to allow a credit card holder to make a payment on a credit card debt, whether by mail, telephone, or online, or otherwise.</p> <p>Late fees – Prohibits late fees if the card issuer's actions caused the delay in crediting payments.</p> <p>Currency exchange fee – Requires currency exchange fees to reasonably reflect the card issuer's actual costs.</p>	<p>Repeat fees – Prohibits charging repeated over-the-limit (OTL) fees for a single instance of exceeding a credit card limit, and allows such fees to be charged only when a card holder's action, rather than a penalty, causes the limit to be exceeded.</p> <p>Fixed credit limit – Creditors must offer the option of a fixed credit limit that cannot be exceeded without exception and without imposing an OTL fee or other penalty.</p>		<p>Prime rate – If a credit card solicitation, application, agreement, or plan specifies a variable interest rate linked to the "prime rate," the referenced rate must be disclosed and defined as published by the Fed. Card issuers cannot use "prime rate" to refer to any other type of interest rate.</p>
Akaka (S. 1176) – same as Price bill.		Enhanced disclosure of total cost amount to pay off within 36 months.						

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Tester/ Ellison (S. 1309/ H.R. 2146)	Prohibits increasing the interest rate on a credit card account for any reasons other than the actions or omissions of the consumer that are directly related to such account. No adverse information concerning the consumer can be used as a basis for increasing the rate, including information in a credit report or change in credit score. Card issuers shall clearly disclose this to consumers.							
McCaskill (Amdt. – Not offered in Senate Commerce data breach markup (S. 1178))		Statements must include required minimum payment and amount to pay off within 36 months.		Postmark date on monthly statement must allow “reasonable” time to make payment – Fed rules required. Minimum payment period – Payment due no less than 30 days from mailing date.	Restricts charges and fees for timely payment or non-use of card.	Limits OTL for creditor approved transactions.	15-day advance notice for change in rates, must include right to cancel.	Late payment deadline and postmark date must be disclosed. Clear disclosure of rate increase.
Ackerman (H.R. 873)					Creditor cannot impose fee based on the manner of payment, including electronic funds transfer (EFT).			

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Udall/ Cleaver (H.R. 1461)	Bans universal default unless adverse information is account specific.		Prohibits opening account for under 18 unless co-signed by parent, ability to repay, and completes credit counseling course. Restricts “affinity” cards.		Prohibits fees for paying balance in full or more than minimum.	No OTL fees on creditor-approved transactions.	15-day prior notice of rate increase; freeze on rate for cancelled cards.	Clear notice of rate change. Tabular format for TILA disclosures. Clear disclosure of late payment deadline and postmark date.
Price (H.R. 1510)		Enhanced disclosure of total cost amount to pay off within 36 months.						
Maloney/ Frank (H.R. 946)						Restricts OTL fees by requiring customer’s advance written consent. Restricts certain statements in advertising OTL and prohibits manipulation or delays in processing to trigger OTL fees.		Separate and enhanced disclosure of OTL fees.