What's at Stake for Pennsylvania Consumers Under a Credit Card Interest Rate Cap

Proposals to cap credit card interest rates at 10% may sound attractive on the surface, but they would have devastating impacts on Pennsylvania consumers and the economy.

According to new data from credit card issuers accounting for roughly 75% of the card market, if interest rates are capped at 10%, consumers can expect severe repercussions.

People will lose access to credit.

- If the Hawley-Sanders legislation is enacted, between **72%** and **85%** of open credit card accounts in Pennsylvania would be closed or have their credit lines drastically reduced, effectively eliminating the card as a spending tool/vital source of liquidity for individuals.
  - This includes between **69%** and **83%** of borrowers with VantageScore credit scores above 600.
- At least **5.3 million** cardholders – and up to **6.2 million** – would no longer be able to use their cards.

Most credit cardholders — even 'super-prime' cardholders with credit scores above 780 — are likely to experience negative consequences.

Cardholders across the board, including those who pay off their balance in full each month, would likely face:

- Reduced **benefits and rewards**
- Lower **credit limits**
- Higher **fees**
- Tightened **credit standards**
- Reduced low-rate **promotional offers**

A credit card interest rate cap would do the opposite of promoting affordability. **Protect hardworking Pennsylvanians and reject government-mandated interest rate caps.**

Methodology

To estimate the impact of a credit card APR cap on U.S. cardholders, ABA surveyed card-issuing member banks accounting for roughly three-fourths of the credit card industry, based on 2024 estimates published by The Nilson Report. The issuers were asked to estimate the likely consumer impact of the Hawley-Sanders bill, S.381. The proposed legislation imposes a 10% effective APR cap and includes anti-circumvention limits on non-finance charges.[1]

Subject-matter experts at each issuer were asked to estimate, based on their experience pricing credit risk, the share of accounts that would effectively lose access to credit — either due to account closure or due to the issuer reducing a cardholder's credit line to the amount currently owed (i.e., eliminating the credit function of the card). Estimates were provided across five risk tiers, as defined by VantageScore: Deep Subprime (<500), Subprime (500–600), Near-Prime (601–660), Prime (661–780), and Super-Prime (>780).

Respondents were also asked to indicate the relative likelihood that credit card issuers would employ various strategies to offset the impact of the cap, to the extent permitted by law. These strategies included increasing annual fees, adjusting other fees, reducing cardholder rewards or other benefits, lowering credit limits, or adjusting grace periods.

ABA conducted the member survey from December 4, 2025, through January 16, 2026. After closing the survey, ABA anonymized and aggregated the issuer responses and analyzed them alongside credit bureau data. The credit bureau data detailed the number of existing cardholders and open accounts in each state, by risk tier. The risk tiers in the credit bureau data were the same as the risk tiers used in the survey.

By combining the survey responses with the state-specific credit bureau data, ABA calculated the number of accounts and cardholders that would effectively lose access to credit card credit under the Hawley-Sanders scenario, both nationally and state-by-state.

[1]Although S.381 included a five-year sunset as originally proposed, this was treated as equivalent to a permanent change for the purpose of this survey after subject-matter experts indicated a five-year sunset would not materially differ from a permanent change for the purpose of pricing credit risk.