

**CONFUSING, MIDLEADING AND PREDATORY CREDIT CARD PRACTICES  
AND THE CHRIS DODD SOLUTION:  
THE CREDIT CARD ACCOUNTABILITY, RESPONSIBILITY AND DISCLOSURE ACT**

**PROBLEM: CONFUSING TERMS AND CONDITIONS.** Credit card disclosures used to be one page; now they are often 30 pages, and written in a way that most people can't understand.

**SOLUTION: The Dodd Bill Provides Enhanced Disclosures of Card Terms and Conditions**

- Requires issuers to give 45 days notice of any interest rate increase, to provide disclosures upon card renewal when the card terms have changed, and to provide full disclosure in billing statements of payment due dates and applicable late payment penalties.

**PROBLEM: EXORBITANT FEES AND INTEREST.** Credit card companies gouge consumers with many unreasonable fees and interest. They can charge over-limit fees over and over again during one billing cycle. They can charge a fee to pay depending on the payment method ("pay to pay"). And they can even charge interest on fees and not just the outstanding balance.

**SOLUTION: The Dodd Bill Prohibits Exorbitant and Unnecessary Fees and Rates.**

- Prohibits credit card companies from (1) charging more than one over-limit fee per billing cycle, (2) charging a fee to allow a consumer to pay a credit card debt, and (3) charging interest on credit card transaction fees.

**PROBLEM: "ANY TIME, ANY REASON" RATE INCREASES.** Credit card companies insert a clause into most contracts that allows them to raise consumers' rates at any time, for any reason.

**SOLUTION: The Dodd Bill Bans "Any-time, Any-reason" Increases in Interest Rates.**

**PROBLEM: YOUTH MARKETING.** Young people aren't protected from the predatory practices of credit card companies that run aggressive mailing and marketing campaigns on college campuses.

**SOLUTION: The Dodd Bill Ensures Adequate Safeguards for Young People.**

- Prohibits credit card companies from issuing credit cards to people under age of 21 unless they show they can repay the credit extended or complete a certified financial literacy course.

**PROBLEM: "DOUBLE CYCLE BILLING."** Credit card companies can charge interest on debt that was paid on time (e.g., if you have a \$1,000 balance and pay \$900 toward that balance, you can still be charged interest on the entire \$1,000 instead of just the \$100 difference that you owe.)

**SOLUTION: The Dodd Bill Prohibits Double Cycle Billing.**

**PROBLEM: "UNIVERSAL DEFAULT."** Credit card companies can increase interest rates and terms for reasons unrelated to a cardholder's behavior on that card. So if a consumer pays a gas bill late, credit card companies can raise the interest rate on the consumer's credit card.

**SOLUTION: The Dodd Bill Prohibits Universal Default.**

**PROBLEM: INDUSTRY OVERSIGHT NEEDS TO BE STRENGTHENED.** Federal banking regulators have been slow to prevent credit card companies from engaging in predatory practices against consumers.

**SOLUTION: The Dodd Bill Requires Regulators to Be Strong Cops on the Beat.**

- Requires banking regulators to evaluate the policies and procedures of card issuers to ensure compliance with strong consumer protections mandated by the Dodd bill.