



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

*Knowing the difference can
make all the difference.*

NFCC PRESS RELEASE

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NEW CARD ACT PROVISIONS PROVIDE ADDITIONAL PROTECTIONS FOR CONSUMERS

Silver Spring, MD – The Federal Reserve is expected to release another round of consumer protections on August 22, 2010. This set of rules is the latest in a series that implement the provisions of the Credit Card Accountability, Responsibility, and Disclosure Act (CARD Act). The National Foundation for Credit Counseling (NFCC) wants to make consumers aware of these changes, as a greater understanding of the terms of their credit card contract increases the likelihood of the consumer being better able to manage his or her finances responsibly.

The new set of regulations includes the following protections:

- The credit card company cannot assess a late fee of more than \$25 unless one of the consumer's last six payments was late, in which case the fee may go up to \$35. However, if the credit card company can demonstrate that the costs it incurred as a result of the late payments justified a higher fee, they are allowed to impose a higher penalty.
- The issuer cannot charge a late payment fee that is more than the minimum payment.
- When a charge exceeds the account's credit line, an over-the-limit fee of more than the amount charged cannot be assessed.
- The credit card company cannot charge a consumer an inactivity fee for not using their card.
- Consumers can no longer be charged multiple penalty fees for the same transaction. For instance, both a late fee and an over-limit fee resulting from the same transaction cannot be charged.
- The company must explain any increase in the card's Annual Percentage Rate (APR).
- If the APR is increased, the credit card company must re-evaluate the increase every six months, and if appropriate, reduce the rate within 45 days after completing the evaluation.

“As a result of the CARD Act, consumers have an added layer of protection related to their credit cards,” said Gail Cunningham, spokesperson for the NFCC. “In addition to being familiar with these provisions, consumers need to open their credit card statements promptly, and read all inserts that accompany the monthly mailings. These simple steps are a critical part of creating a financially stable life.”

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For help understanding how the provisions of the CARD Act impact you, or for assistance getting your finances back on track, reach out to a trained and certified counselor at an NFCC Member Agency. To locate the agency closest to you, dial toll free to (800) 388-2227, or to find a counselor online go to www.DebtAdvice.org. For assistance in Spanish call (800) 682-9832.

- 30 -

The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation's largest and longest serving national nonprofit credit counseling organization. The NFCC's mission is to promote the national agenda for financially responsible behavior and build capacity for its Members to deliver the highest quality financial education and counseling services. NFCC Members annually help four million consumers through close to 830 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC Member, call (800) 388-2227, (en Español (800) 682-9832) or visit www.nfcc.org. Visit us on Facebook at <http://www.facebook.com/NFCCDebtAdvice> and on Twitter at <http://twitter.com/NFCCDebtAdvice>.