I rise today in strong support of the Expedited CARD Reform for Consumers Act of 2009, which would establish earlier effective dates for various consumer protections established by the Credit Card Accountability Responsibility and Disclosure Act, Credit CARD Act, enacted earlier this year. I commend Chairman Frank and Ms. Maloney for their leadership in bringing this bill to the floor today.

To be clear, my strong support does not stem from any concern that the implementation deadlines set forth in the Credit CARD Act as enacted were ill-conceived or too lax. Indeed, I assume we all thought they were reasonable, and most of us probably still do. What was unreasonable was the punitive, abusive, and--frankly--shameful behavior of some credit card issuers in the wake of enactment of the Credit CARD Act. I have been besieged with letters from outraged constituents, and I'd like to share some of those with you:

“Chase Bank ..... [just increased my interest rate] from 9.99% to 16.24% a 62.5% increase. They are making it harder and harder for Americans to pay-back our loans during this economic downturn. I have never missed a payment! ..... Please help!!!”

“I just received a letter from my Citi Bank Master Card (which my husband and I always pay on time) stating that my interest rate is being raised to 29.99%. My research shows that Citi Bank is slipping this rate increase in before the new Credit Card Act takes effect. This is an outrage to so many people like myself.”

“Most of the major banks have hiked interest rates on customers' balances, increased penalty fees or doubled minimum payments since the bill was passed in May. ..... The banks are using this lag time before the implementation date to sneak in as many rate hikes and new fees as possible, and countless good customers who pay on time each month are suffering.”

I think a reality check is in order. The reality is that many credit card issuers have been abusing their customers. Had they been treating them fairly, there would have been no need for, and no call for, legislation to reign in and prohibit those abusive practices. Another reality is that many of those same credit card issuers behaved recklessly and imprudently, as a result of which they put their own survival in jeopardy and had to come to the American taxpayers hat in hand just to stay afloat. Had those financial institutions managed their own affairs responsibly, they wouldn't have had to rely on the good graces of hard working Americans to stay in business. So where

does that leave us? They abused their customers, they compromised their own financial stability, they took their customers' charity to regain that stability, then they retaliated against their customers when the government stepped in told them they had to stop abusing their customers. The whole situation is just plain astounding.

Even so, it is always important to tailor one's response carefully to the actual facts and circumstances. For example, not all credit card issuers abused their customers in the first place. And not all credit card issuers retaliated against them in the wake of enactment of the Credit CARD Act. And as I noted previously, the original implementation deadlines for the bill were reasonable--we would not have passed it that way if they weren't.

Therefore, although I heartily support this bill and urge my colleagues to do the same, I also offered an amendment to make it stronger, and to fine-tune its application. My amendment would have given credit card issuers the ability to opt out of the expedited implementation schedule set forth in this bill, and win back the right to comply with the bill in accordance with the reasonable schedule we set forth originally, under one of two circumstances.

Any creditor that could have demonstrated that it did not implement detrimental account changes against its customers on or after the date the Credit CARD Act was enacted would have been entitled to implement the bill in accordance with its original implementation schedule. This would insulate the well-behaved credit card issuers from the penalty this bill imposes, because the penalty is only being imposed in response to the bad behavior of other credit card issuers. This is not only fair, it is better for the economy. Expediting application of the implementation deadlines is going to cause disruptions in service and interruptions in the extension of credit, at precisely the same moment we go into the busiest shopping period in the annual cycle. Therefore, any credit card issuers that can justifiably be spared the requirement that they comply with the Credit CARD Act much more rapidly than originally intended, should have been spared.

With respect to credit card issuers that already penalized their customers, preventing them from penalizing any others does not do anything to help the ones they already penalized. Therefore, my amendment would have allowed those institutions to ``buy back'' the right to implement the bill in accordance with its original deadlines if they could demonstrate that they reversed all of the penalties they imposed in the wake of enactment of the Credit CARD Act. Because they will have a fresh record of the interest rates, minimum payments, and penalty fees they just got through increasing, they should expeditiously have been able to reverse those and restore their customers to their pre-Credit CARD Act terms and conditions. Only an actual roll-back can help the consumers whose terms and conditions were already detrimentally changed, and only a

strong incentive such as re-applying the original deadline structure would have incentivized any bank to agree to it. But to the extent they would have, this too would have been a boon to the economy, because all customers whose minimum monthly payments go back down would have that much more to spend as we go into the holiday season.

My amendment simply created options. Any institution that fits one of the foregoing descriptions could have availed itself of the option. If they did, well-behaved banks would have been protected, injured consumers would have been restored to their pre-injury terms and conditions, and in each case the economy would have been stimulated. In addition, in each case, my amendment would have provided that implementing any detrimental changes to customer accounts after the exemption was awarded but before the bill is fully implemented would result in immediate revocation of the exemption. I believe the amendment would have made the bill stronger, and applied it more deftly and equitably to the circumstances. But without it, the banks will implement the bill as of December 1, and consumers will be provided the protections we enacted for them last spring that much sooner.

I commend Chairman Frank and my colleague Mrs. Maloney again for offering this bill, and I urge my colleagues to support it.