

I rise to express my strong support for the Credit Cardholder's Bill of Rights Act of 2009 (H.R. 627), which the House approved last week, and to commend my colleague Ms. Maloney for her leadership in crafting and championing this measure.

As I am certain is true of all of my colleagues, I am inundated with calls and letters from constituents who are outraged by sudden and arbitrary increases in their credit card interest rates. Their hard-earned taxpayer dollars were used to shore up financial institutions to prevent an economic collapse, and in return, some of the very same financial institutions turned right around and doubled the interest rate they charged their customers.

A letter I received from one constituent, whose interest rate was doubled from 15 to 30 percent, said: "[i]nterest rates such as these are confiscatory. This starts to look like indentured servitude at best, and financial slavery at worst." A letter from another said: "given how much of my taxes are going to bail out these companies, these rates are beyond outrageous and smack of greed." And a letter from another, which was entirely in capital letters, said: "[t]he American people gave billions [in] bail out money because the banks got themselves into trouble. Instead of helping the same taxpayers that helped them by lowering interest rates on credit cards they chose to raise the rates for no reason. When people do the responsible thing it seems they get punished for it. There have to be more controls on what the banks can do to people who honor their commitments."

I share the outrage of my constituents, and I am pleased to support the Credit Cardholder's Bill of Rights. It will tackle not only usurious interest rates, but a host of other abuses. In 2008 alone, credit -card issuers imposed \$19 billion in penalty fees on families with credit cards according to an industry consultant for Consumer Reports. In 2009 it is estimated that credit card companies will break all records for late fees, over-limit charges, and other penalties, charging more than \$20.5 billion for such fees and penalties.

The Credit Cardholder's Bill of Rights would prevent credit card companies from unfairly increasing interest rates on existing card balances. Credit card holders would be allowed to set their own lower credit card limits, at levels they consider appropriate for their financial circumstances.

The bill would end "double cycle" billing, prohibiting credit card companies from charging interest on balances cardholders have already paid on time. If a cardholder pays on time and in full, the bill prevents card companies from charging additional fees on balances consisting solely of left-over interest.

The bill would also require card companies to provide 45 days advance notice of all interest rate increases or significant contract changes such as the addition of new fees or penalties, and

would enact into law recently proposed Federal Reserve Board regulations protecting consumers from abusive credit practices.

This bill establishes many long-overdue protections for consumers and credit card holders, and I am pleased to support it.