



FOR IMMEDIATE RELEASE  
May 19, 2009

CONTACT:  
Sue Walitsky 202-224-4524 or  
202-320-0819 (cell)

## CARDIN PRAISES SENATE PASSAGE OF CONSUMER PROTECTIONS FOR CREDIT CARD USERS

*Senator Urges Similar Protections for Small Businesses*

Washington, DC – The U.S. Senate today approved by a vote of 90-5, a bill co-sponsored by **Senator Benjamin L. Cardin (D-MD)** that will provide American consumers with greater protections from misleading and abusive credit card practices. The ***Credit Card Accountability Responsibility and Disclosure Act*** amends the *Truth-in-Lending Act* to establish fair and sensible rules during this critical time for our economy. The bill, as amended, will go to the House of Representatives, where it is expected that they will accept the Senate's amendments and send it to President Obama for his signature by Memorial Day, as he requested.

**“Passage of the Credit CARD Act is a victory for hardworking Americans who are trying to play by the rules but find that the rules keep changing,”** said Senator Cardin. **“Credit card companies will no longer be permitted to raise interest rates arbitrarily on existing balances, impose excessive fees, or use bait-and-switch tactics designed to keep people mired in debt. In addition, consumers will now receive clear and complete information about the terms of their credit agreements.”**

The Senate bill includes an amendment sponsored by Cardin requiring the Federal Reserve to review credit card practices as they relate to small business accounts, which are not covered by the bill passed today. According to the National Federation of Independent Businesses, as many as 85% of small business owners rely on credit cards for financing. The Fed is required to report back to Congress within 9 months and make recommendations for legislation or regulations to protect small business accounts. Cardin's amendment was cosponsored by Small Business Committee and Entrepreneurship Chairman Mary Landrieu (D-LA) and Mike Johanns (R-NE)

**“The economic downturn has hit small business owners particularly hard, and Congress should ensure that they are protected from unfair and misleading credit card practices that make it much harder for them to stay in business,”** said Senator Cardin. **“Small business owners are entitled to protections similar to those we have passed for individual consumers.”**

Among other reforms, the CARD Act:

- Establishes fair rules for how and when credit card companies can raise interest rates. Card companies must give 45 days' notice before increasing rates, and can no longer do so on existing balances
- Cracks down on abusive fees. For example, consumers no longer will have to pay a fee just to pay a bill. And credit card companies must mail statements 21 days before the bill is due, so cardholders can avoid hefty late fees
- Protects consumers by making credit card statements understandable and protects college students from predatory marketers
- Strengthens oversight of the credit card industry

##