Website lays out credit card plans

Congressman says consumers need to be warned of predatory lenders

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More than 300 consumer credit card agreements were made available online on Monday in order to prevent predatory lenders from practicing exploitation and misinformation.

A credit card agreement database sponsored by U.S. Rep. Mark Schauer in the Credit CARD Act of 2009 has been posted on the Federal Reserve Board website to promote transparency to consumers.

"The playing field was tilted completely in favor of the credit card companies," Schauer (D-Battle Creek) said.

Schauer decided to sponsor the database provision in the act after he found predatory lenders did not make basic information available online.

The new database will allow consumers to compare the agreements and find their ideal contract.

"Our free market system requires access to information," he said.

SEE CARD, 5

Online

To visit the Federal Reserve's credit card agreement database go to http://www.federalreserve.gov/creditcardagreements/

Additional provisions in the Credit CARD Act of 2009

Companies must provide notice of any rate hike or change 45 days in advance.

Account statements must be sent 21 days in advance of the payment due date.

Interest rate hikes on existing balances are prohibited, only on future purchases.

Penalty rate increases for payments less than 60 days overdue are banned.

Charging interest on debts paid on-time is banned.

"Due-date" gimmicks, such as setting morning times for payments, before mail is delivered or charging fees for paying a bill by phone or Internet are banned.

Requires promotional rates to last at least six months.

Consumers under 21 must demonstrate an ability to pay or have a parent cosign to be eligible for a credit card.

Source:
http://www.schauer.house.gov

site, an individual experiencing credit debt should develop a budget, contact their creditors and deal with debt collectors by making sure they operate fairly.

"Once you get into that trap it is difficult to get out of," Vanlerberg said.

Although it is not easy to recover from debt, Vanlerberg said she has witnessed many people successfully budget and recover from hard financial times.

"We have had some very successful people," she said.