

Washington, DC – Today, Congressman Charles A. Gonzalez (TX-20) voted to bring common sense reform and consumer protections to the credit card industry. The legislation, passed with an overwhelming bipartisan majority of 361-64. The bill will now go on to President Obama's desk to be signed into law. The Credit Cardholders' Bill of Rights will end the unfair practices of the credit card industry and protect consumers from the tactics that have driven so many Americans deeper and deeper into debt. Congressman Gonzalez praised the passage of the legislation, saying:

“My colleagues and I voted to put an end to unfair credit card lending practices and are pleased to send the bill to President Obama to be signed into law. Today, under the Credit Cardholders' Bill of Rights, we voted to give consumers the fair treatment they deserve. The landmark legislation prohibits excessive fees, interest rate hikes and unfair, incomprehensible agreements that are altered without notice. Clearly long overdue, the bill will open up new windows of opportunity for consumers and help build an economy that offers prosperity over time.”

The bill would ban most retroactive interest rate hikes on existing balances (except when payments are more than 60 days late), double-cycle billing and due-date gimmicks. Specifically, the bill bans most interest rate increases on existing balances and increases notice of interest rate hikes going forward on new purchases. It requires that bills be sent 21 days before the due date; prohibits charging fees just to pay a bill by phone, mail or web; bans over-the-limit fees unless a consumer opts-in in advance; bans due-date tricks; requires payments to be applied fairly to the highest interest rate balance first; and strengthens credit card protections for young people.

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