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# Website lays out credit card plans

Congressman says  
consumers need  
to be warned of  
predatory lenders

By **SCOTT RECKER**  
scott.recker@hillsdale.net

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 customers to compare the agreements and find their ideal contract.

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

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## CARD

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Schauer said families need a credit card in order to make ends meet between paychecks, and the unfair methods of credit card companies have caused many of them to enter into a downward spiral ending in massive debt.

"The credit card companies have abused the trust of the public," Schauer said.

He said he wants to see transparent agreements so families can obtain basic needs without piling up debt.

"They were abusing honest, hard-working families in Michigan and around the country," Schauer said.

The database and the rest of the act take definite steps against abuse, but he said credit card companies will have to continue to be monitored.

Consumers can search the database by card issuer name and by text within an agreement.

Community Action Agency Executive Director Maxine Vanlerberg said she believes the database will be beneficial to individuals who enter card agreements because it promotes consumer education.

"The ability to go and look and research is very helpful," she said. "Education is a big piece of how to budget properly."

The CAA hosts budgeting classes and also will create a personal plan for an individual to get out of debt if requested.

Vanlerberg said the agency works with a lot of people in credit card debt, and she stressed the importance of being knowledgeable when signing a contract.

"Always being aware of predatory lending and how it can affect you is important," she said.

Vanlerberg said debt can be a slippery slope, and it must be handled responsibly.

According to the Federal Trade Commission's web-

## 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.