

Washington, DC – With the financial future of the American families in peril, Democrats have made clear that we must protect Main Street from the crisis on Wall Street. Central to this effort is ending the unfair lending practices of the credit card industry.

“It is outrageous that as the financial crisis has spread, credit card companies have imposed higher delinquency fees,” said Congressman Earl Blumenauer. “I opposed the 2005 Bankruptcy Act in part because of its egregious support for abusive credit card practices. HR 5244 takes us one step closer to fixing some of the worst aspects of that bankruptcy bill, and one step closer to resolving the challenges facing America’s working families.”

The bill adds protections for consumers, putting into law a number of regulations proposed by the Federal Reserve Board earlier this year that help insulate consumers from abusive lending practices. In particular, it puts a stop to some of the most egregious practices by credit card companies, including “double-cycle billing” where consumers pay interest and fees even where they have paid their obligation fully and on time.

The bill also requires cards allocate consumer payments proportionally to debt carrying different interest rates, rather than allocating the payment to the debt carrying the lowest interest rate.

“It is time to make sure that the market works not just for executives on Wall Street but for Americans at the kitchen table,” said Congressman Blumenauer. “That’s why I’m supporting these common-sense protections for our nation’s consumers, and I will continue to work to end abusive credit card and bankruptcy practices going forward.”