



CONGRESSMAN RON KLEIN



SERVING FLORIDA'S 22<sup>ND</sup> CONGRESSIONAL DISTRICT

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September 23, 2008

## **Klein Supports Consumer Protection Bill, Cracks Down on Unfair Credit Card Billing Practices**

**Washington, DC** – Congressman Ron Klein (FL-22) today joined a bipartisan majority of his colleagues in support of the Credit Cardholders' Bill of Rights Act of 2008 (H.R. 5244). This legislation provides critical protections against unfair, but unfortunately common, credit card industry practices, including arbitrary interest rate increases and penalties for cardholders who pay on time. The legislation was crafted in the House Financial Services Committee, on which Klein serves.

"This timely piece of legislation will bring real relief to American consumers struggling in today's difficult economy," Klein said. "It was long past time to crack down on the unfair billing practices of some credit card companies. Unfortunately, hard-working families are relying on credit cards more than ever to cover household expenses, and they should not be subject to arbitrary rate increases or excessive penalties."

H.R. 5244 requires the fair allocation of consumer payments and the full and clear disclosure of payment terms, and protects vulnerable consumers from high-fee subprime credit cards. The legislation is supported by nearly two dozen consumer, civil rights, small business, community and labor organizations.

Credit card debt in the U.S. has reached a record high of nearly \$1 trillion and the average American household's debt from credit cards has risen from \$2,966 in 1990 to \$9,840 in 2007. This year, credit card companies will break all records for profits from late fees and other penalties, raking in more than \$19 billion.

"The broader financial crisis our county is facing was caused in part by a lack of regulation and oversight, and the credit card industry is no different," Klein said "While the Administration is pushing a plan to rescue Wall Street, we have taken action today to protect the families on Main Street. This bill will help every American family facing excessive credit card fees, sky-high interest rates, and unfair, incomprehensible agreements that credit-card companies revise at will."

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