
Joint Release

**Board of Governors of the Federal Reserve System
Office of Thrift Supervision
National Credit Union Administration**

For immediate release

April 21, 2009

Agencies Propose Clarifications to Credit Card Rules

The Federal Reserve Board, the Office of Thrift Supervision, and the National Credit Union Administration today proposed clarifications to aspects of their December 2008 final rules under the Federal Trade Commission Act (FTC Act) prohibiting certain unfair credit card practices. The Federal Reserve Board also proposed clarifications to its December 2008 final rule under the Truth in Lending Act (TILA) amending Regulation Z to improve the disclosures consumers receive in connection with credit card accounts and other revolving credit plans.

The proposals are intended to facilitate compliance with the December 2008 final rules without reducing protections for consumers. They would resolve areas of uncertainty and make technical corrections to ensure that institutions are able to come into compliance with the rules on or before the July 1, 2010 effective date. In particular, the proposals would clarify that:

- The key protections in the final rules would continue to apply to balances on a consumer credit card account when the account is closed or acquired by a different institution or when the balances are transferred to another account issued by the same institution. For example, an institution would not be permitted to increase the rate on a credit card balance because the account has been closed.
- Institutions and retailers may continue to offer deferred interest and similar programs, but these programs are subject to all of the protections in the final rules. For example, if a consumer makes a purchase under this type of program, the terms governing interest charges on that purchase cannot be changed through a “hair trigger” or “universal default” rate increase. In addition, institutions and retailers must comply with enhanced disclosure requirements.

The *Federal Register* notices are attached. Comments on the proposals must be submitted within 30 days after publication in the *Federal Register*, which is expected shortly.

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Attachments

Joint UDAP FR Notice

Reg Z FR Notice
Reg Z Attachment I
Reg Z Attachment II

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