



## **Credit Card Reform Did Not Fix Everything**

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As Doug Jacobs notes, Congress has passed significant Credit Card Reform legislation.

The Federal Reserve Board had previously required some reforms, not effective until the summer of 2010.

The Fed rejected requests from Congresspeople to move up that date, so they can still impose [retroactive interest rate increases](#), among other things.

It is unfortunate that the Courts let the credit card companies change the terms of contracts whenever they felt like it.

Your contract with a credit card company, or any other lender, is a adhesion contract.

This means, they tell you, take it or leave it. They do not negotiate the terms with you, like when you buy a house, you may go back and forth with the seller on the price, the day you move in, who keeps the refrigerator, and so on.

Now, Congress stepped in to respond to the consumer pressure on the one sided credit card contracts.

I would rather have the common law system, a jury, determine whether a contract is valid. I doubt a jury of consumers would have approved allowing the credit card companies to change the interest rate and other terms after you got their card.

In spite of their screaming, changing their ability to make up the rules as they go along is not the credit industry's problem. Throwing money out the window, mailing out billions of unsolicited card offers, lending money to people they knew did not have a job, like college students, is their problem.

No one held a gun to their heads and said "Give me a credit card!".

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Now they have tens of thousands of [uncollectible credit card accounts](#).

Credit card companies will go back to annual fees, or think of new ways to charge more money.

There are better ways to handle credit cards and some better ideas for [credit card reform](#).

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