

## Financial Recovery Law

### First Provisions of Credit Card Reform Act Implemented

By: Donna Ray Chmura. *This was posted Wednesday, August 26th, 2009*

The first two provisions of the [Credit Card Accountability, Responsibility, and Disclosure](#) (“CARD”) Act of 2009 went into effect Thursday, August 20, 2009. The CARD Act is designed to protect consumers from unfair and deceptive practices by credit card companies.

These provisions are:

1. **21-day grace period.** Beginning on August 20, credit card issuers must mail your bill at least 21 days before it is due instead of the current 14 days. This gives consumers who pay attention a little more time to get their payment in on time.
2. **45-day advance notice of interest rate increases.** Also beginning on August 20, credit card issuers will be required to give consumers at least 45 days notice about interest rate increases, instead of the current 15-day advance notice requirement. This allows consumers additional time to contact credit card issuers or to move balances – if consumers open and read these notices.

The bulk of the protections go into effect in February 2010, with a few final changes coming in July 2010.

According to the White House, the key [elements](#) of the CARD Act are:

- Bans Unfair Rate Increases
- Prevents Unfair Fee Traps
- Plain Sight /Plain Language Disclosures
- Accountability
- Protections for Students and Young People

The CARD Act will also limit over-limit fees, apply payments over the minimum payment to the balance with the highest rate, and spell out more clearly how long it will take a consumer to repay a debt. ,

The Center for Responsible Lending has looked at credit card issuer [practices](#) since the legislation was proposed and found that while issuers are voluntarily implementing some of the CARD provisions, they are also suddenly cutting credit limits and raising all sorts of fees. Some of these practices will be forbidden next year.

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What are your recent experiences with credit? Have your accounts been closed, credit limits been lowered or additional fees imposed? Are you able to get business credit? If so, we'd love to know who's interested in doing business.

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