

Rep. Peter Welch voted Wednesday to crack down on the credit card industry's efforts to skirt new consumer protections.

The Expedited CARD Reform for Consumers Act (H.R. 3693), which passed the House today by a vote of 331 to 92, will accelerate the implementation of the Credit Card Accountability, Responsibility and Disclosure Act (H.R. 627).

Passed by Congress and signed into law in May, H.R. 627 banned unfair interest rate increases and abusive fees and penalties. Since the bill's passage, however, credit card companies have taken advantage of a grace period before it was to take effect. In that time, the industry has raised interest rates and minimum payments, increased fees and tightened credit limits on consumers.

The passage of H.R. 3693 on Wednesday moves up the date of implementation of these reforms from next February to immediately after the bill is signed by the president.

"The credit card industry's abusive behavior in the past few months illustrates precisely why it needs to be reined in. With no regard to their customers, these companies have jacked up interest rates and ran rough-shod over the spirit of our reforms," Welch said.

According to a survey released last week by the Pew Charitable Trusts, interest rates climbed an average of 20 percent in the first half of this year. The report found that none of the 400 cards issued by 12 banks it studies would meet the requirements of the Credit CARD Act.

Vermonters have been hit hard by the recent interest rate hikes. After transferring a balance to a new credit card to take advantage of a 3.99 percent interest rate, White River Junction business owner Joe Alvin saw his rate rise to 29.99 percent. Anthony Russo, a retired resident of Swanton, was switched from a fixed rate to a variable prime plus 19 percent rate, currently equaling 25 percent. Neither Alvin nor Russo had been late with a payment.

## **Welch supports, House passes bill to speed up credit card consumer protections**

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Welch, a cosponsor of H.R. 627, led the charge in the House last spring to amend the bill to cap interest rates at 18 percent. Though the amendment failed at the time, Welch continues to advocate for reasonable interest rate caps.