



FOR MORE INFORMATION:

Bruce McClary, ClearPoint Credit Counseling Solutions | 877-877-1995 ext. 2730 | bruce.mcclary@ClearPointCCS.org
Allie Vered, ClearPoint Credit Counseling Solutions | 877-877-1995 ext. 2733 | allie.vered@ClearPointCCS.org
1-877-877-1995 | www.ClearPointCCS.org

ClearPoint Credit Counseling Solutions: Chargers Gain with Pending Credit CARD Act Reforms

RICHMOND, VA--(January 19, 2010)--ClearPoint Credit Counseling Solutions is providing accessible information about the long-awaited consumer protections outlined under the "Credit Card Accountability Responsibility and Disclosure Act of 2009," the [Credit CARD Act](#), that will take effect February 22.

Creditors must print a number on monthly credit card statements directing users how to access legitimate credit counseling from at least three Federally-approved agencies, like [ClearPoint Credit Counseling Solutions](#). ClearPoint is positioned to handle increased counseling volume and to provide financial education about the Act, said credit counselor Bruce McClary.

[Credit counselors](#) at ClearPoint stress that consumers need to understand the basics to help them avoid racking up debt. "You can only benefit if you know your rights," says McClary, "but reading the 33-page Act is too overwhelming for most." He highlights a few key provisions taking effect next month:

Limits on Fees/Interest

- Credit card users must be given an option of having a fixed credit limit that cannot be exceeded (previously, consumers were surprised by overlimit fees after unknowingly exceeding their limit).
- Prohibits banks from charging interest on late and [overlimit fees](#).
- Issuers can't raise interest rates on existing balances unless the user is late by 60+ days.
- Creditors can no longer raise rates on borrowers who are current on their cards, but late with payments *on other cards*.
- For card holders in good standing, issuers cannot raise interest in the first year after issuance, and "teaser rates" must last at least 6 months.
- Prevents creditors from charging an additional fee for users to make a credit card payment by telephone or Internet.
- Ends "double-cycle" billing—basing finance charges on the current and previous balance (which may already be paid off).

Disclosures

- Banks must post the written agreement with the card account holder on the Internet.

Promotions

- “Teaser rates” must last at least 6 months.
- Ads for free credit reports must disclose that they are available under Federal law at AnnualCreditReport.com.

Youth

- Open-ended cards cannot be issued to youth under 21 without the signature of a cosigner.
- Banks cannot send pre-screened credit offers to those under 21.

Payments

- For holders with multiple balances—on one card (from balance transfers or store promotions), payments over the minimum must be applied to the balance with the highest interest rate (minimum payments still go to the lowest interest rate balance).

“Although these reforms favorable to consumers are going into effect, reading the fine print on credit card offers, agreements and updates is crucial,” warns McClary. “The wise use of credit is convenient, provides buyer protections and will help build a positive credit history,” he adds.

About ClearPoint

ClearPoint Credit Counseling Solutions (CCCS) is a member of the National Foundation for Credit Counseling (NFCC) and a system-wide accredited business with the Council of Better Business Bureaus. To speak with a consumer credit counselor for a free financial review and recommendations, consumers may call **(877) 877-1995** or visit www.ClearPointCCS.org.

###

Additional Resources

[Visit ClearPoint’s News Room](#)

[Follow ClearPoint on Twitter](#)

[Find us on Facebook](#)