



From  
**Credit Card Relief™**

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## **#1. President Signs Credit Card Accountability, Responsibility, and Disclosure Act**



President Obama signed the Credit Card Responsibility, and Disclosure Act (CARD) on May 22. This law is a milestone in the decades-long consumer battle against the many unfair practices of the credit card industry, bringing some sweeping reforms to the credit card industry by restricting credit card interest rates and fees.

Although this law does not contain everything that consumers have fought for over the years to curb the excesses of credit card companies, it does put in place new rules that will greatly benefit the average consumer and their families trying to make it through these very difficult financial times.

These new rules, which will go into effect in nine months, include:

1. Prohibiting companies from giving cards to anyone under the age of 21 unless they can clearly prove they have the means to pay the debt, or have a parent or guardian who will co-sign.
  - a. Even if able to demonstrate an ability to pay, the law also caps the amount students under the age of 21 could borrow at just \$500.00 or 20% of their annual income, whichever was greater.
  - b. This law, as you can see, is especially relevant to students and their parents, since nearly 2 out of 3 students currently report having at least one credit card; and card companies have traditionally specifically targeted “high-risk” students through on-campus marketing campaigns.
2. The law also sets limits on interest rate hikes – including those raised as a result of late payments.
3. It requires clearer due dates and times for card payments.
4. The law allows for more time to pay monthly bills – a consumer will have to be more than 60 days behind on their payment before seeing a rate increase on an existing balance.
  - a. Even then, the card companies will be required to return the rate to the previous, lower rate if the cardholder makes their minimum required payment amount on time for six consecutive months.
5. It limits fees for going “over the credit limit”.
6. And it requires greater advance notice of changes in credit card terms and rates.

## #2: HOW THE CREDIT CARD COMPANIES ARE RESPONDING



The banks have begun to “fire back” in reaction to the new Credit Card Responsibility, and Disclosure Act (CARD).

In typical fashion, they brazenly state that they’ll get paid “*one way or another*” - claiming that the new law is just “political posturing” and will only produce higher initial rates for everyone and diminished credit availability in an ailing economy.

*“The American people can’t manage their debt,”* calmly explains one anonymous industry bigwig, *“so if you change the rules, guess what, we’ll just start at a higher rate and you’ll see a decrease in availability of credit and in increase in the cost to everyone else.”*

Isn’t it nice to know that the American people are held in such high regard by the credit card industry?



### LETTERS TO THE EDITOR

{Here is this month’s winning “Letter-to-the-Editor”.}

Although this was sent in via email directly to one of our Mediation Specialists, we like to think that the sentiment expressed so eloquently by Lindsay represents the feelings of many of our Clients.

This Client will be credited \$49.95 to their Trust Account.

*“I just wanted to say Thank you sooo much for all of your help with my credit card debt. I never thought that this day would come!! I have been recommending Dakich & Associates to a lot of people that are in similar situations as I was in. Thank you so much for everything. I received (her) email yesterday about my account being settled and I called immediately and couldn’t help but cry!!*

*Thanks so much! This is such a wonderful blessing!!”*

Lindsay in Georgia

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Call us at: 1-800-376-0898

Or email us at: [@ccrnw](mailto:@ccrnw).

Professional Services Dept. of Dakich & Assoc., Attorney-at-law

- for -

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Thank you for your trust and confidence in Credit Card Relief™. We look forward to the day when your name is added to our growing list of Credit Card Relief™ graduates. If you have any questions or problems, do not hesitate to contact the Professional Services Department at *and Assoc., Attorney-at-law*, at 1-800-376-0898.