

Big changes in store for US credit cardholders金融英语考试 PDF转换可能丢失图片或格式，建议阅读原文

https://www.100test.com/kao_ti2020/598/2021_2022_Big_change_c92_598670.htm WASHINGTON Every American with a credit card will see sweeping changes in the market, with limits on sudden hikes in interest rates that drive consumers deeper into debt. Even cardholders who pay off their balance each month may face new annual fees or lose out on lucrative rewards programs. Congress wrapped up the legislation Wednesday and sent it to President Barack Obama, who plans to sign it on Friday. The bill will revolutionize the market by restricting when and how a card company can raise an individual's interest rate, who can receive a card and how much time people are given to pay their bill. In general, the new rules which go into effect in nine months will protect debt-ridden consumers from many of the surprise charges common in the industry, such as over-the-limit fees and costs for paying a bill by phone. "This cements a victory for every American consumer who has ever suffered at the hands of the credit card industry," said Sen. Christopher Dodd, D-Conn., chairman of the Banking Committee. 把金融英语站点收藏 But there will be losers too. Banks, which oppose the legislation, will need to make up the cost somewhere, and cardholders who pay off their balance in full each month could see new annual fees and lucrative rewards programs canceled. Credit could become harder to come by too. Some of the changes, including a requirement that cardholders receive 45-days notice before their rates are raised, are already on

track to take effect in July 2010 under new regulations by the Federal Reserve. The legislation would put these changes into law and go farther in restricting when and how banks charge people and who could get a card. For example, the bill would require people under 21 to prove first that they can repay the money or that a parent or guardian is willing to pay off their debt if they default. The House passed the reform bill by a 361-64 vote on Wednesday. The Senate had voted, 90-5, for the measure on Tuesday. Consumer advocates say its up to the banks to decide what happens next. Nick Bourke, manager of the Safe Credit Cards Project at the Pew Health Group, said companies already offering transparent pricing wont have to drastically change how they do business. Lenders could probably cover costs with small annual fees in the \$15-\$20 range or increase upfront interest rates, he said. "Nothing requires pricing to go up and benefits to go down," Bourke said. "The only thing that is required is that the price offered actually reflects the cost of using the card." Regardless of how banks respond to the bill, its passage this week reflects both Americas addiction to debt and easy credits contribution to the economic downturn. Last year, the Nilson Report estimated that more than 700 million credit cards were in circulation in the United States. Thats more than two cards for every man, woman and child. Whats more is that many cardholders are carrying hefty balances. According to the Federal Reserve, the nation is some \$2.5 trillion in debt, excluding home mortgages. Lawmakers supporting the bill say legislation is necessary to stop a vicious cycle: A cardholder falls behind on one bill and watches helplessly as the

rate spikes on their existing balance. Buried in interest fees and other charges, they spend less, which hurts local businesses. Under the bill, a customer would have to be more than 60 days behind on a payment before seeing a rate increase on an existing balance. Even then, the lender would be required to restore the previous, lower rate if the cardholder pays the minimum balance on time for six months. The practice of charging higher rates and fees to cardholders with risky credit was devised as a means to protect lenders against the risk of default while keeping costs low for consumers who paid their bill on time, said Edward Yingling, president and CEO of the American Bankers Association, which lobbied against the legislation. Yingling says the new rules will limit the card companies ability to price according to risk. "Less credit will be available generally, which means some consumers and small businesses will not be able to obtain credit cards at all, particularly younger people and start-up small businesses," Yingling said. Dodd, who championed the bill, said this argument is absurd and "a little like Chicken Little." Flooded with complaints by constituents who say they are victims of abusive practices by the card companies, the Senate fast-tracked Dodds bill and only five senators voted against it. Two of the opposing senators GOP Sen. John Thune and Democratic Sen. Tim Johnson were from South Dakota, where thousands of jobs depend on the industry. Thune estimated up to 5,000 workers in the state would lose their jobs as a result of the changes. Included in the bill is an unrelated measure by Sen. Tom Coburn, R-Okla., that would allow people to bring loaded guns into national parks and wildlife refuges.

The House approved that provision separately on Wednesday by a 279-147 vote. 100Test 下载频道开通，各类考试题目直接下载。详细请访问 www.100test.com