



**FOR IMMEDIATE RELEASE:**

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**CONSUMER FINANCIAL PROTECTION BUREAU LAUNCHES PUBLIC INQUIRY ON THE IMPACT OF THE  
CARD ACT**

*Bureau Seeks Information on How the CARD Act Has Affected Consumers and the Credit Card Industry*

**WASHINGTON, D.C.** – The Consumer Financial Protection Bureau (CFPB) announced that it is seeking public comment on how the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act) has impacted consumers and the credit card market. The CFPB wants to know how the CARD Act has affected the daily lives of consumers and the behavior of industry.

“The CARD Act made major changes in the credit card marketplace in order to better protect consumers,” said CFPB Director Richard Cordray. “With today’s inquiry, the Bureau is seeking to understand how the credit card market is working in practice and how the CARD Act changes have affected consumers and credit card issuers.”

The CARD Act was signed into law in May 2009 with the goal of bringing fairness and transparency to the credit card market. In February 2011, the CFPB demonstrated its commitment to being a data-driven agency by holding a conference to assess the CARD Act’s impact on the marketplace one year after many of the Act’s provisions took effect. Today’s announcement will further the Bureau’s commitment to evaluate the impacts of new laws and regulations on consumer credit systematically.

The Bureau’s 2011 conference found that the CARD Act had largely curtailed the long-standing practice of hiking interest rates on existing cardholder accounts—prior to the CARD Act, credit card companies often raised customers’ interest rates with little or no advance warning. The conference also found that the CARD Act had substantially reduced consumer late fees and nearly eliminated overlimit fees.

With today’s Request for Information, the CFPB is seeking to gather more information on the effects of this law as of today. The CARD Act requires that the CFPB conduct a review of the consumer credit market. As part of that review, the Bureau is seeking public comment from consumers, credit card issuers, industry analysts, consumer advocates, and others on the effects of the CARD Act.

Some of the specific areas that the Bureau is requesting information on include:

- **The terms of credit card agreements and practices of credit card issuers:** The Bureau wants to know how the terms and conditions of credit card agreements may have changed since the CARD Act went into effect and how effective disclosures of rates, fees, and other cost terms of credit card accounts have been.

The Bureau is looking to see how card issuers may have changed their pricing, marketing, underwriting, or other practices in the wake of the CARD Act and whether or not those changes have benefited or harmed consumers.

- **The success of protections against unfair or deceptive acts or practices:** The Bureau is looking for information on the extent to which unfair or deceptive acts and practices still exist in the credit card market and whether or not issuers have circumvented, or tried to circumvent, any CARD Act protections against unfair or deceptive acts or practices.
- **Changes in the cost and availability of credit:** The Bureau is evaluating how the cost and availability of credit has changed since the CARD Act, and will consider the extent to which the upfront interest rate, and all-in cost of credit has changed when controlled for risk.
- **The use of risk-based pricing:** The Bureau is considering the changes in the incidence of risk-based pricing in the credit card market, including the adoption of alternative practices in the wake of rules that restrict account repricing.

The review will culminate in a publicly available report to Congress on the state of the consumer credit card market. The Bureau will use the data gathered to help inform future policy decisions on the topic.

A copy of today's Request for Information can be found at:

[http://files.consumerfinance.gov/f/201212\\_cfpb\\_2012-0048.pdf](http://files.consumerfinance.gov/f/201212_cfpb_2012-0048.pdf)

Comments on the Request for Information are due within 60 days after publication in the Federal Register.

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*The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit [www.ConsumerFinance.gov](http://www.ConsumerFinance.gov).*