

# **DO YOU KNOW: New Credit Card Laws**



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## **Do you know about the NEW law requiring credit card companies to play fair?**

1. They **MUST** apply any payments above the minimum payment to the balance with the highest interest rate. It is important to pay close attention to how your payments are applied. There have been incidents when the payment was not applied correctly.
2. They **MUST** deliver your bill at least 21 days before your payment is due.
3. They **CANNOT** charge you a late fee greater than your minimum payment, with a maximum fee of \$25 (or sometimes, \$35)
4. They **CANNOT** raise rates for the first 12 months an account is open, unless you are more than 60 days late or an introductory rate has expired (and they must last for at least 6 months.)
5. After the first year, credit card companies can raise rates **ONLY** on future purchases.
6. They are **REQUIRED** to give 45 days advance notice before increasing interest rates, changing fees or making other significant changes.
7. It requires banks to add a table that outlines how long it will take to pay down your balance.

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