

February 22, 2010

Washington, DC – Rep. Ben Ray Luján commended various credit card protections that are beginning today. The reforms that will go into effect today include prohibiting arbitrary interest rate increases and prohibiting interest charges on debt paid on time (double-cycle billing ban). On Tuesday, Rep. Luján will [hold a telephone town hall](#) on credit card reform.

“Today, many of the credit card reforms that we passed into law last year will go into effect,” said Rep. Luján. “These are common sense reforms that will make things easier for consumers during these tough economic times. It is encouraging that important consumer protection provisions of this important legislation are taking effect today.”

Changes that will go into effect today will:

- Restricts over the limit transactions without the card holders' knowledge
- Requires payments in excess of the minimum to be applied first to the credit card balance with the highest rate of interest
- Prohibits issuers from setting early morning deadlines for credit card payments
- Prohibits interest charges on debt paid on time (double-cycle billing ban)
- Requires credit card companies to give at least 45 days notice before increasing interest rates, changing certain fees, or making other significant changes your terms

Changes that went into effect in August continue to:

- Provide increased written notice to consumers of any increases in the interest rate or any other significant change to the terms of a credit card account
- Inform consumers of their right to cancel the card before a rate hike goes into effect
- Send statements to consumers 21 days before the due date of any payments

Over the last year, Rep. Luján has fought to end deceptive and predatory credit card practices. Rep. Luján was a [cosponsor of credit card reform legislation](#) . He [took on credit card companies](#) when they tried to unfairly raise interest rates in advance of the new law going into effect. Rep. Luján also held [a credit card forum and workshop](#) in Rio Rancho. In May, President Obama [visited Rio Rancho](#) and highlighted credit card reforms.