

## Credit Card Changes – Mostly Good for the Consumer



On May 22, 2009, President Obama signed into federal law the CARD Act of 2009. The overall purpose of this wide-sweeping credit card reform legislation is to establish fair and transparent practices relating to the extension of credit using credit cards and lines of credit. Enactment of the new legislation is scheduled in several phases with August 22, 2010 being the final stage.

Most of the changes are good for the consumer overall. The InvesTex credit card program meets or exceeds the new regulations on offerings and practices. InvesTex credit cards offer a better value than most other credit cards. InvesTex credit cards are strong, stable and extremely fair.

Here are just a few of the changes imposed by the new credit card legislation:

- No more teaser rates. Restrictions are imposed on credit card companies that offer a 6 month minimum promotional period.
- Must give a 45 day advanced notice before increasing credit card rates or any other significant changes. Cardholders have the “right to cancel” their cards.
- After February 22, 2010, rate increases can only apply to new charges; not on balances before the rate went up. Payments above the minimum payment must apply to the higher rate’s balance first.
- If late payments cause rates to be increased, the credit card company must lower the rate back to the original rate once the cardholder has paid on time for 6 months.
- Payments can be received up to 5pm on the due date. If the due date is on the weekend or holiday, cardholders have up to 5pm on the next business day to make payment. Late payment due date must be disclosed on statement.
- No fees for paying online or on the phone.
- Over-the-limit fees reduced or eliminated. Card companies may charge fees if they continue to offer over-the-limit transactions but only if cardholders opt-in.
- Statements must be given at least 21 days before the due date. If not, late payment fees and interest rates can’t be charged.
- A qualifying co-signer will be required if the applicant is under the age of 21.
- Get further details on the CARD Act of 2009 by visiting:  
[http://en.wikipedia.org/wiki/Credit\\_CARD\\_Act](http://en.wikipedia.org/wiki/Credit_CARD_Act)

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The InvesTex credit card program is straight forward. InvesTex does not participated in any confusing or complicated credit card practices. Most of the credit card changes will not affect InvesTex credit card practices. Cardholders' loyalty is valuable and InvesTex respects the need for stable and dependable financial resources.

InvesTex has maintained the current interest rate on the MasterCard Platinum Credit Card for 5 years, however, the current economic environment is forcing a small interest rate change. The Platinum credit card rate of 7.5% APR\* will change effectively November 30, 2009. The new rate will remain an incredibly low 7.9% APR\* and the rate will not be tied to any index. At InvesTex Credit Union, "Value" is a relationship built on Trust!

Visit [www.InvesTexCU.org](http://www.InvesTexCU.org) to learn more about InvesTex Credit Card benefits and Apply.



\*APR means Annual Percentage Rate. Credit limits for which you qualify for are determined by your credit and capacity at the time of application. Credit card changes require 45 days advance notice. Credit cardholders may cancel their credit card prior to the effective date of the changes.