

Appleseed This Week

eNewsletter - August 27, 2009



A nonprofit network of 16 public interest justice centers in the U.S. and Mexico, Appleseed is dedicated to building a society in which opportunities are genuine, access to justice is universal and equal, and government advances the public interest.

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**New Ways to
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Appleseed is now a

New Protections for Credit Card Customers

Disclosure Provisions Now Taking Effect

Appleseed's ongoing [Financial Access](#) program seeks to connect un- and underbanked individuals with mainstream financial institutions, protect low-income consumers from predatory lending, and promote transparency in the financial system overall. New federal regulation of the credit card industry, several provisions of which took effect last week, will help carry these objectives one step closer to reality.

"Opaque and unfair practices by the credit industry too often result in devastating cycles of debt," said Appleseed Executive Director Betsy Cavendish. "Lacking the necessary information about rates and penalties, low-income consumers fall victim to unseen financial snares, and that hurts everybody."

The Credit CARD Act of 2009, signed into law by President Obama in May, contains several provisions mandating improved disclosures by credit card companies, allowing consumers to make more informed decisions about credit usage and avoid unfair charges. Among the provisions that took effect last week are:

- Credit card issuers, as well as creditors offering lines of credit, are required to give consumers at least 21 calendar days to pay monthly bills
- Credit card issues must notify consumers in writing 45 days in advance of major changes in conditions and of any increase in rates due to delinquency - *e.g.* making late payments or exceeding the credit limit - even if the consumer previously agreed to the increase.
- Consumers will also be able to reject certain changes set by credit card issuers, and arrange a plan to cancel the debt and close the credit card account.

Other consumer protections included in the new law are even

member of two combined giving campaigns: United Way of the National Capital Area (UWNCA) and the Combined Federal Campaign (CFC).

Both campaigns kick off in September.

Please make a note of the Appleseed designation codes below.

UNWCA: 9639

CFC: 10758

more significant in scope, but they will not take effect until February 2010. These changes are aimed at limiting the ability of credit card issuers to impose increased fees and interest rates on outstanding balances and issue credit cards to students.

Appleseed is committed to protecting consumers and helping low-income individuals enter the financial mainstream, with several Centers currently working to curb the predatory practices of payday lenders and other short-term, high-interest creditors. Many of these businesses charge as much as 400 percent APR on loans to already vulnerable individuals.

Appleseed Centers in [South Carolina](#) and [Texas](#) recently helped implement critical protections for consumers against such practices in their respective states. For more information on Appleseed's Financial Access program, including the Fair Exchange and immigrant banking projects, [click here](#).