

New Rules For Credit Card Companies

(NAPSA)—There's good news for consumers who want more-timely information from their credit card company.

New rules will change the kind of information that credit card companies must provide to consumers and when they must provide it.

For example, under the new rules implemented by the Federal Reserve Board, your monthly credit card bill is required to include information on how long it will take you to pay off your balance if you only make minimum payments. It will also tell you how much you would need to pay each month in order to pay off your balance in three years.

The new rules also require a credit card company to inform you when it plans to increase your rate or other fees.

Your credit card company must send you a notice 45 days before it can:

- Increase your interest rate;
- Change certain fees (such as annual fees, cash advance fees and late fees) that apply to your account; or
- Make other significant changes to the terms of your card.

If your credit card company is going to make changes to the terms of your card, it must give you the option to cancel the card before certain fee increases take effect. If you take that option, however, your credit card company may close your account and increase your monthly payment, subject to certain limitations.

For example, it can require you to pay the balance off in five years, or it can double the per-



Under new rules, your credit card company must now send you a notice of a rate increase at least 45 days prior to the date the increase starts.

centage of your balance used to calculate your minimum payment (which will result in faster repayment than under the terms of your account).

Another key change involves standard payment dates and times. Your card company must mail or deliver your credit card bill at least 21 days before your payment is due. Plus, the payment cutoff time cannot be earlier than 5 p.m.

Even under the new rules, however, the company does not have to send you a 45-day advance notice if:

- You have a variable interest rate tied to an index;
- Your introductory rate expires and reverts to the previously disclosed "go-to" rate;
- Your rate increases because you are in a workout agreement and you haven't made your payments as agreed.

To learn more, visit www.federalreserve.gov/creditcard or call (888) 851-1920.