

**Statement for the Record**

**Senator Jack Reed**

**Mark-up and Vote**

**S. 414, Credit Card Accountability Responsibility and Disclosure Act**

**March 31, 2009**

Rhode Islanders and Americans across the country are struggling under the burden of sudden increases in their credit card interest rates at a time when the economy is worsening. The CARD Act addresses this problem, instituting common sense limitations on when the interest rates of card holders in good standing can be increased. It codifies the Federal Reserve's final rules on unfair and deceptive practices, and it builds on them.

I am pleased that an effective date has been added to this bill. I have been concerned that the Federal Reserve's rules will not be implemented until July 2010, and I wrote to Chairman Bernanke in December urging him to reconsider the effective date in light of the economic crisis.

As we revisit the issue of an appropriate effective date, we should be careful to implement changes in a way that preserves consumer access to credit. However, too lengthy an implementation phase may subject card holders to steeper and more accelerated rate hikes before the new rules can take effect.

We must be sure to protect increasingly vulnerable families trying to make ends meet, even as we take into account the ability of credit card issuers to implement reforms. I hope this Committee will continue to work toward a bipartisan consensus about these important issues as this bill moves forward.

I thank the Chairman for putting this legislation before the Committee, and I urge its passage.