

**Senator Michael Bennet
Opening Statement
Senate Banking Committee
S.414 Credit CARD Act of 2009**

Mr. Chairman, I want to thank you for showing aggressive leadership on asserting the rights of consumers. Coloradans find the system of credit card issuance confusing and sometimes even exploitative. Your legislation builds on rules that the Bush administration scheduled to go into effect in mid-2010. Thus, S.414, the Credit CARD Act, takes important steps that the vast majority of us already agree have to occur.

That's why I don't subscribe to some of the "Sky is Falling" rhetoric that has come from some of the bill's opponents. The industry will adjust. In a few instances, it may not be seamless. But this is one moment when we all need to band together and remember that Main Street matters.

Your legislation is about transparency, and fairness, and it's about common sense. If these changes are going to be put into effect in 18 months anyway, then we should speed up this timetable too. I respect that there may be some additional work that needs to be done before this bill becomes law. But it's important that we move the process forward, and I would urge my colleagues to support the Chairman's mark.

It's important that, during harsh economic times, the public be able to insist on more balanced terms and conditions. People in Colorado are struggling – they cannot afford a sudden hike in their interest rates that they weren't informed of, couldn't do anything about and had no reason to budget for. Yet that's exactly what the current system puts them through.

I want to take one moment in particular to highlight the importance of a new provision in the bill that connects the dots for some of our younger borrowers. The bill provides for consumer literacy education classes, so that when a young person does not have a parental cosigner, and cannot show ability to repay, they can at the very least approach the credit card system with some understanding of the potential dangers they are facing. I am all for consumer choice, but we need our young people making informed choices before they find themselves in a world of debt.

Each person in this room knows adults who have gotten in trouble with credit cards, who could've used such a course themselves. Let's all stand together to prevent bankruptcies that hurt both consumers and lenders, before they happen. I believe more educated young consumers will stay solvent, stay debt free, learn the value of saving, and make better decisions for their future. I support this piece of young consumer protection language.

I know we are expecting one amendment this morning from my colleague from Louisiana to strip out this and other language protecting young credit card applicants. I would urge my colleagues to vote against the amendment and for the underlying bill. Thank you, Mr. Chairman.