

New Credit Card Rules

There's been a lot of talk about the new credit card rules in the past couple of years. The rules which became effective on Monday, February 22 are long overdue to protect consumers. Here's a summary of the changes:

- If you open a new credit card the bank cannot raise your interest rate in the first year.
- Credit card companies must give you 45 days notice before raising your interest rate.
- If you exceed your credit card limit credit card companies cannot charge a fee unless you signed up for this service. Be sure to read the fine print!
- Your credit card company can raise the interest rate if you're 60 days late on your credit card payment. However, companies are required to restore the old interest rate if you make on-time payments for six months.
- Your credit card statement must be mailed or delivered to you at least 21 days before your payment is due.
- Due dates must be the same every month. If your due date falls on a weekend or holiday the payment must be credited on the next business day – with no late penalty.
- The double-cycle billing is gone – that's the practice of using your average daily balance over two months to calculate interest.
- Your credit card statement will contain new information including how long it will take to pay off your balance if you make the minimum monthly payment. It will also provide the payment amount required to pay off your balance in three years.
- Anyone under age 21 must have a co-signer or proof of enough income to pay the debt they incur. There are also restrictions to keep credit card companies off college campuses.

I think the new rules are an excellent step in protecting consumers. For more details check out Sandra Block's articles in USA Today. Join me for the March 9, 2010 Money Wise Women Get Smart Teleseminar with Gerri Detweiler -- Reduce Stress, Reduce Debt. Register online at www.moneywisewomengetsmart.com .