Credit Card Changes effective February 22, 2010

- Credit card issuers will not be able to increase interest rates on existing credit card balances unless the borrower is at least 60 days late on the account. This will eliminate the retroactive rate increases and the universal default clause where credit card issuers would periodically review an account holder's current credit standing to determine changes in terms and annual percentage rates.
- Credit card issuers will have to provide clear disclosure of account terms before a borrower opens an account. If the account provides a promotional interest rate period, the promotional interest rate will have to last a minimum of six months.
- Credit card issuers will not be able to raise interest rates on new credit card accounts during the first year the account is opened. This rule will not apply if the borrower falls 60 days late on a credit card payment.
- Credit card issuers will not be able to charge over-limit fees unless they obtain the account holder's consent to accept and process over-limit transactions beforehand. If consent is obtained, the card issuer will not be able to charge more than one over-limit fee per billing cycle. Additionally, credit card issuers will not be able to charge an over-limit fee if interest charges or other fees are the sole reason for pushing the account holder over their limit.
- Credit card issuers will not be able to charge additional payment penalties for accepting payments by mail, phone, electronic transfer, or any other means, unless the payment is processed through an expedited service processor.
- Credit card issuers will face significant hurdles if they try to issue credit cards to consumers under age 21 without an "of-age" co-signer, unless they meet sufficient income requirements to independently repay the debt.
- If a due date falls on a weekend or holiday, the credit card issuer will not be able to penalize mailed payments that are received on the next business day. Payments received by 5 p.m. must be credited the same day.
- Double-cycle billing, a process where credit card issuers use the previous month's balance to calculate interest charges for the current month, becomes illegal.
- Credit card issuers will be required to apply any payment above the minimum amount due to the highest interest balance first.
- Subprime or "fee harvester" credit cards will have fee limits. Fees on a credit card (other than late fees, over-limit fees, or insufficient funds charges) will not be able to exceed more than 25 percent of the credit limit when the account is opened.
- Credit card issuers will have to include a minimum payment disclosure that explains how long it will take to pay off the existing balance and the total cost in interest fees if the cardholder paid only the minimum amount due. Additionally, card issuers will have to provide minimum payment details and the total cost in interest to pay off the existing balance within 3 years (36 months).
- Card issuers will have to make account terms and cardholder agreements available to their cardholders on the Internet