

Last Monday the laws regarding credit cards and how the credit card industry is regulated changed. Although these new regulations do provide consumers with additional protection, like most legislation that comes out of Washington or Lansing, the legislation isn't perfect. Therefore when it comes to our charge cards we still need to be vigilant.

One of the new changes in the credit card law is that credit card companies can no longer raise the interest rate on existing balances. There are some exceptions to the rule but they are few and far between. However, the law does not put limits on the interest rate companies can charge new customers, nor does it limit how much a charge card company can raise interest rates on future purchases. I have no doubt that companies will become more aggressive changing rates that affect your future purchases; therefore, consumers need to be aware. One further note, remember that if you do have a variable interest rate charge card, your interest rate can change.

Another change in the new law is that charge card companies cannot charge you a fee when you exceed your credit limit unless you sign up for the service. The new law does not limit charge companies with regards to annual fees and inactivity fees.

Under the new law the charge card company must mail your statement at least 21 days before your payment is due. In addition, when your charge card issuer does change fees such as your annual fee or cash advance fees, they must give you at least a 45-day notice. Of course, charge card companies still can close your account or lower your credit limit for any reason without cause.

The bottom line is that the reforms for charge cards do give you and me more rights; however, it does not lessen our responsibility to make sure that we stay current with the terms on our charge cards. Charge card companies are going to look for new ways to charge us fees and to find loopholes in the law. It is your responsibility and mine to make sure that we don't allow this to happen. The bottom line is we still have to make sure that we review our charge card statements and any disclosure notices that we receive.

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