CFPB Designing New Credit Card Agreement to be used by Lenders

December 14, 2011 - The Consumer Financial Protection Bureau is in the process of developing a new credit card agreement. Their goal is to get lenders to adopt the agreement and use it in place of the agreements they currently use. The CFPB is seeking consumer input before issuing a final version.

Tweet

(function() {
var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];
s.type = 'text/javascript';
s.src = 'http://widgets.digg.com/buttons.js';
s1.parentNode.insertBefore(s, s1);
})();

(function() {
var po = document.createElement('script'); po.type = 'text/javascript'; po.async = true;
po.src = 'https://apis.google.com/js/plusone.js';
var s = document.getElementsByTagName('script')[0]; s.parentNode.insertBefore(po, s);
})();

The goal of the CFPB is the simplify credit card agreements and make them easier to understand. The current proposal would cut the size of credit card agreements by approximately 80%. It would also highlight the most important things included in the agreement. Items like interest rates, minimum payments, annual fees and other charges would be pointed out at the top of the agreement rather than buried deep within the document.

You can see a copy of the proposal by visiting the CFPB website. After reviewing the proposal, you can submit comments letting them know if there are changes that you would like to see in their design.

The CFPB was created in the Dodd Frank financial reform law passed by the last Congress. The agency does not have the power at this point to force banks to use the new agreement however, it is clear that they are going to be working with banks and applying pressure on them to adopt it once the design is finalized.

byJim Malmberg

Note: When posting a comment, please sign-in first if you want a response. If you are not registered, click here. Registration is easy and free.

Follow me on Twitter: