

How the new Credit Card Reform Act will benefit consumers

Barack Obama, the US President, has signed a bill into law, which is referred to as Credit Card Reform Act of 2009. This Act was supposed to come into effect on July 1, 2010. However, some of the rules have already come into effect. These new rules are expected to benefit the credit card holders in a number of ways. However, before all the rules come into effect, check your credit score information in order to qualify for hardship programs if you need to repair your bad credit. It will help you to take the advantage of the new rules.

Some of the new rules of the [Credit Card Reform](#) Act are discussed below.

- No arbitrary deadlines for bill payments: One of the new rules restricts the dishonest practice to set arbitrary deadlines of bill payment. From now on, the credit card issuers will have to mail the statements at least 45 days prior to the due date. Moreover, the due date also cannot change without previous notice.
- Restriction on interest rate hike: As per the new legislation, the credit card companies will not be able to raise the interest rates whenever they want to. The issuers will have to give at least 45 days notice before increasing the interest rate on new transactions. Moreover, the interest rate can only be increased after the first year. The new rate will only be applicable for new transactions and not on the preexisting balance.

It is advisable that you pay your bills on time and keep the balance below your available credit limit. It will be helpful for your credit score. Make sure you check your credit score information to keep yourself updated about your credit report.

- Tough to get credit card if under 21: Credit card companies will not be able to issue credit cards to people under 21 years of age. If you're below 21 and need a card, then you can only get it if a guardian co-signs it. However, you may get a card if you're able to prove that you have sufficient income to repay your bills.
- Restriction on charging fees: The over-the-limit and late fees will have to be reasonable and the issuers will not be able to charge penalty fees if the consumers exceed credit limits because of blocks or holds placed on their card. Moreover, the consumers will not have to pay anything for paying bills online or by telephone.

This Credit Card Reform Act will help you if you are facing a lot of problems to repay your credit card debts. It is advisable that you check your credit score information to know how much you owe on your credit cards. It will help you to repair your credit and increase your score.

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