



DOLLARS & SENSE

A bi-monthly publication of
**CONSUMER CREDIT COUNSELING SERVICE
OF NORTHERN COLORADO AND SOUTHEAST WYOMING**

Fort Collins ~ Loveland ~ Longmont ~ Greeley ~ Sterling ~ Cheyenne

August/September 2009

New law may help you get out of debt

Change is the name of the game with financial and credit decision making. Congress recently passed the Credit Card Accountability, Responsibility, and Disclosure, or Credit CARD, Act of 2009. The law goes into effect on February 22, 2010 but many pieces of the legislation have other effective dates.

For Americans who carry a balance, which is about 40% of people who use a credit card, some of the protections will be welcome news.

The bill does away with a prevalent credit card practice called the Universal Default Clause. This practice allowed credit card

companies to increase interest rates to consumers based on credit report activity on other debt held by the consumer. When this part of the law goes into effect (August 2010), your credit card issuer will be able to raise your interest rate only if the account in question is past due by 60 days or more. Once you get the account back on track and make six timely payments, your interest rate must go back to the lower normal rate for your account. There are some nuances including rules about promotional rates and new debt so do read all updates and inserts sent to you by your credit card company.

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Loose change... Notes, news, & upcoming events ...

*Free workshops (except when noted *). For more information about any class please call (970) 494-3307.*

FORT COLLINS

Call (970) 494-3307 to register

Financial Fitness (2 parts)

Fort Collins Senior Center

August 12 & 19, 2009

6:30 pm – 8:30 pm

October 6 & 13, 2009

6:30 pm – 8:30 pm

Organize Your Financial Life

Fort Collins Senior Center

August 26, 2009

12:00 pm – 1:00 pm

Surviving a Layoff

**CCCS Conference Room,
Riverside**

August 6, 2009

1:30 pm - 3:30 pm

September 9, 2009

1:30 – 3:30 pm

October 8, 2009

1:30 pm - 3:30 pm

Financial Fitness 1: The Basics

**CCCS Conference Room,
Riverside**

August 11, 2009

1:30 pm- 3:30 pm

September 3, 2009

1:30 pm- 3:30 pm

Financial Fitness 1 & 2

Fort Collins Housing Authority

September 26, 2009

9:00 am – noon

GREELEY

Call (970) 350-9400 to register

Concerning Credit:

Cards, Reports and Scores

***Greeley Recreation Center: \$5
Facility Fee**

September 15, 2009

6:30 pm – 8:30 pm

a program of



LOVELAND

Call (970) 494-3307 to register

Financial Fitness (2 part)

Habitat for Humanity

August 17 & 24, 2009

6:00 pm – 8:00 pm

October 7 & 21, 2009

6:00 pm – 8:00 pm

Financial Fitness (2 part)

House Of neighborly Service

October 12 & 19, 2009

10:00 am – noon

Financial Fitness: Spanish (2 part)

House Of neighborly Service

September 21 & 28, 2009

10:00 am – noon

Holidays — Without Breaking the Bank

Habitat for Humanity

October 15, 2009

6:00 pm – 8:00 pm

LONGMONT

Financial Fitness (2 Part)

St. Vrain Memorial Building

September 10 & 24, 2009

6:00 pm – 8:00 pm

Call (303) 651-8404 to register

Financial Fitness (2 Part)

St. Vrain Credit Union

September 30 & October 28, 2009

6:00 pm – 8:00 pm

Call Julia Davis (702) 652-7117 to register

Holidays — Without Breaking the Bank

St. Vrain Memorial Building

October 8, 2009

6:00 pm – 7:00 pm

Call (303) 651-8404 to register



MoneySense™
FINANCIAL HEALTH CENTER

New law may help you get out of debt, Continued...

Other features of the new legislation include a requirement of advance notice of rate increases of 45 days compared to the current notice time line of only 15 days. Over limit fees will be restricted to only once per billing cycle and only if the cardholder chooses to allow the creditor to approve an over the limit transaction.

An egregious previous practice of some credit card companies was a sub-prime credit card with a small credit limit of \$300-\$500 that had a short window for payment with high late and over the limit fees. Consumers with these types of credit lines often quickly found themselves past due and over the limit which basically caused them to use up the card limit with numerous late fees. When the new law goes into effect, late and over the limit fees can never exceed 25% of the initial credit limit.

Another feature of the new law will restrict credit card approval rates to persons 18-21 years of age. In the past, this age group has been solicited with small credit card limits and high interest rates. For some young persons who are just getting a foothold in the financial decision making world, the predatory tactics of these cards caused great heartache and difficulty. Now persons in this age group will need to prove adequate stable income to support credit card debt repayment or have a co-signer.

Interest billing on credit balances will soon be restricted to only the interest accrued on balances from the current month

and all payments must pay the highest interest rate balances first if there are several different rate structures (special offer rates) on the same account. Gift cards will not expire for five years and inactivity fees won't occur until the card has not been used for 12 months. Consumers will get more time to pay with a required 21 day window from the statement date until the payment is due.

There are also some valid concerns that credit card users who do indeed pay off their balances each month will see some of their credit card benefits decrease. This unintended consequence will be watched closely as the new law takes effect. It will be interesting to see how the credit card industry restructures its pricing structure and if there will be a backlash from consumers who do not carry a balance from month to month. It is hoped that the industry finds a fair way to reasonably charge for its services so that consumer personal responsibility is rewarded for all credit card users.

Finally, if you have concerns about paying off credit card debt and feel that you never make progress on reducing the amount you owe, the non-profit Consumer Credit Counseling Service of N. Colorado & SE Wyoming offers a Debt Management Program to give structured repayment options so that credit card balances can be paid off in full over time. In many cases through this program interest rates can be reduced and late and over the limit fees will be reduced and eventually stopped.

CCCS of Northern Colorado and Southeast Wyoming extend a sincere congratulations to our Debt Management Program (DMP) grads in May and June of 2009

<u>Start Date:</u>	<u># of Debts:</u>	<u>Total Paid:</u>	<u>Start Date:</u>	<u># of Debts:</u>	<u>Total Paid:</u>	<u>Start Date:</u>	<u># of Debts:</u>	<u>Total Paid:</u>
05/15/2004	9	\$29,517.97	04/30/2008	4	\$1,543.62	09/30/2006	9	\$8,994.42
10/30/2004	13	\$70,600.01	10/15/2004	5	\$12,109.12	01/15/2007	6	\$7,008.55
10/15/2005	10	\$5,950.89	02/28/2006	23	\$19,846.24	03/15/2007	10	\$5,749.26
09/15/2006	2	\$4,690.56	03/30/2007	2	\$4,254.80			
05/30/2006	5	\$18,378.23	07/30/2006	9	\$5,292.77			
TOTALS:							107	\$193,936.44

CONGRATULATIONS!

