



The Office Of  
State Treasurer  
Denise L. Nappier

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# News

**FOR IMMEDIATE RELEASE**

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**Treasurer Nappier Calls for Federal Legislation to Address  
High Credit Card Interest Rates**

**Hartford** - Connecticut State Treasurer Denise L. Nappier today called for federal legislation that would address high interest rates charged by credit card companies on consumer cards, especially when compared with the Federal Reserve's recent cut of the federal funds rate to 0 percent. In a letter to Senate Banking Committee Chairman Christopher J. Dodd, Nappier called on him to introduce legislation that would address the "glaring disparity" in credit card interest rates – some surging as high as 32 percent.

"It defies reason that these companies can generate a windfall during these trying times by virtue of exorbitant interest rates that border on usury," Nappier said. "How can a company justify charging consumers 32 times more than the prevailing interest rate? Basic notions of fairness and equity require that borrowers – especially those who pay their bills on time – should be protected from these outrageous practices by banks, some of whom are benefiting from the taxpayer-funded bailout."

On December 18<sup>th</sup>, the U.S. Treasury's Office of Thrift Supervision implemented sweeping changes to rules aimed at curbing certain practices by credit card companies, such as arbitrary increases in interest rates, and requiring 45 days notice before changes to credit card accounts can be made. Beginning in July 2010, credit card issuers will no

**Contact:** Lisa Monroe  
Communications  
(860) 702-3014  
[lisa.monroe@ct.gov](mailto:lisa.monroe@ct.gov)

longer be able to raise interest rates on existing balances, and any increases in interest rates or other credit terms will require 45 days notice. “While these steps are important, they do nothing to reign in the exorbitant and outrageous interest rates that are currently being charged too many consumers,” Nappier stated. “And consumers won’t have any relief from these tactics for over a year and a half from now. Congressional action is warranted now,” Nappier said.

Treasurer Nappier commended Senator Dodd for his efforts to steward the federal response to the unprecedented crisis in the U.S. economy, and to ensure transparency and accountability among those companies availing themselves of taxpayer-funded assistance. She noted in particular his sponsorship of *The Credit Card Accountability, Responsibility and Disclosure Act*, introduced in April of 2008, in which he proposed measures that address universal default, among other provisions.

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