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CFPB Issues draft simplified credit card agreement -- review and let CFPB know your reactions

The following comes from ASEC Partner, Consumer Financial Protection Bureau (CFPB).

cfpb Consumer Financial Protection Bureau

Millions of times every year, financial institutions issue a new credit card agreement to their customers. And every year, millions of consumers receive new agreements and do not read them.

We have an idea that we think can make things better: a simplified credit card agreement.

Check it out, and tell us what you think.
www.consumerfinance.gov/credit-cards/knowbeforeyouowe/

Know Before You Owe
credit cards

Credit cards are simple to use, but consumers have a lot of choice in exactly

how they use them. Differences between cards provide even more choices to consumers.

Credit card agreements describe the terms and features of a particular card. They spell out the rights and obligations of both parties, and provide legal protections for the issuer.

This can result in a dense and complicated document that can be difficult for consumers to understand.

The thought-starter we've developed reduces this complexity. We've separated the key terms from the legalese, leaving a clear, readable document.

We think it makes sense to give consumers a short, understandable document with the key terms they need to know. And we think it makes sense to give issuers the option to use our definitions, freely available on our website. We think this could reduce the costs of compliance and printing.

But as credit card users and issuers, you're the people who need these agreements to work for you, so we want to know what you think. Would consumers be more likely to read this? Could issuers use this approach for their own products?

Take a look at what we've come up with. Weigh in with your thoughts to help us make credit card agreements better.
www.consumerfinance.gov/credit-cards/knowbeforeyouowe/

Thank you,

Marla Blow
Acting Assistant Director, Card Markets
The Consumer Financial Protection Bureau

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