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Less Than Half of U.S. Citizens Aware of the Credit CARD Act of 2009, Despite The Impending Rollout of Its Protections

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A February 2010 survey of 1,000 U.S. consumers revealed that just 48% are aware of the <u>Credit CARD Act of 2009</u> that goes into effect on February 22. The results are part of the <u>FreeScore.com Consumer Awareness Study on the Credit CARD Act of 2009</u>*, a January 28–February 2, 2010, online poll of Americans ages 18+. Just 40% of consumers knew that credit card companies must now give a 45-day advance notice to changes in credit card rates, terms and conditions. The new law aims to protect credit card users from <u>practices</u> such as abrupt rate increases, retroactive rate increases, and double-cycle billing, wherein customers are charged interest on debt that's fully paid off during the grace period.

According to Carrie Coghill, Director of Consumer Education for FreeScore.com, "We're within two weeks of the Credit CARD Act of 2009 going into full effect, yet less than half of Americans are aware of the legislation. Despite the Act and the protection it offers consumers, people must still read the fine print. Consumers should expect lots of calls from credit card companies in the coming months. If you receive an offer for a pre-approved credit card or if someone says they'll help you get a credit card, find out the details first," she warned.

Seven key tips from Carrie include:

- 1. Be sure you know what interest rate you'll be paying and for how long. You also need to know about any annual fees, late charges or other fees, and whether there are grace periods for payment before interest is applied.
- 2. Look for a credit card from a different issuer if the terms of a credit card offer aren't provided or aren't clear.
- 3. Shop around. There are many different types of cards, such as secured cards, cards that can also be used as telephone calling cards, cards that allow you to both charge something and pay later, and cards that can only be used to charge merchandise from a catalog.
- 4. Don't pay upfront fees to get a credit card.
- 5. Don't pay someone to help you get a credit card. If your credit is good enough, you can get one yourself, and if you have bad credit, no legitimate lender is likely to give you one.
- 6. Get help if you feel you're in over your head. Consumer Credit Counseling Service (CCCS), a nonprofit organization, provides low- or no-cost services to consumers who need a plan to repay debts and im prove their credit. To find the nearest CCCS office, call them toll-free at 1-800-388-2227.
- 7. Make sure the information is correct on all your reports. Sites like FreeScore.com will give you all three credit bureau reports -- and their scores.



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The results of the FreeScore.com Consumer Awareness Study on the Credit CARD Act of 2009 also revealed:

- Younger consumers are less aware of the Credit CARD Act of 2009 -- 30% of those aged 18-34 were aware of the legislation, while 57% of those 55+ knew of the new law.
- 51% of men versus 45% of women were aware of the Credit CARD Act of 2009.
- Education levels matter: 58% of college graduates and 48% who have had some college were aware of the Credit CARD Act of 2009, while only 33% of those with a high school degree or less knew about the law.
- Awareness of the Credit CARD Act of 2009 increases with income -- 59% of those whose annual income exceeds \$75,000 were familiar with it versus 38% of those who make less than \$35,000 a year.

About FreeScore.com

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