

HOUSE No. 3892

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to credit card companies..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1 Chapter 255 of the General Laws is hereby amended by inserting after
2 section 12H the following section:-

3 Section 12H ½ . No card issuer shall raise interest rates to collect on outstanding balances
4 without sufficient reason. Sufficient reason shall include but not be limited to past payment
5 history on credit card and credit history with the card issuer. Card issuers shall provide a
6 cardholder with full disclosure of credit card company practices toward increasing their interest
7 rate including but not limited to: calculation of rates, specific reasoning for increase of rates and
8 specific credible reasoning as to why a customer’s rate is being raised. Credit card companies
9 shall be limited to 2 credit reports per year on card holders. Credit card companies violating any
10 provisions of this section shall be punished by a fine not to exceed \$2000 per incident.