

Hi everyone this is Shari,

We are starting a new service today, where by if there is some new information we think that you should know about like the article below on the new credit card changes I will be sending you a heads-up.

Do you remember the days of easy credit? It doesn't seem that long ago when we "benefited" from loose lending standards in the credit card industry. It seemed like every day there were *multiple* credit card offers in the mailbox with no annual fees, extremely low and prolonged introductory interest rates, and very generous credit lines.

Oh, and let's not leave out how almost anyone could get a credit card, even those right out of high school or college students. I remember during my first week as a freshman in college I was offered my very first credit card from a sales representative soliciting students in the Student Center. I didn't have a job and had no plans of getting one anytime soon, but I *did* get a credit card!

Now I'm not complaining, because having that very first credit card and paying it responsibly helped me establish a credit history. But some of my fellow students' first forays into the land of credit did not turn out as well.

Let's Fast Forward to Today...

Starting February 22, 2010, the Credit Card Accountability Responsibility and Disclosure Act of 2009 or Credit CARD Act of 2009 will go into effect.

Many of the changes introduced in the act mean new credit card protections *for* consumers.

For example, here are some of the Federal Reserve's new rules your credit card issuer must implement under the Credit CARD Act of 2009:

- Issue notices of account modification at least 45 days in advance.
- Increase rates only on new charges you make, while the old rate applies to existing balances.
- Deliver your credit card bill at least 21 days before your payment due date.
- Only impose interest charges on balances in the current billing cycle; no double-cycle billing.
- Protect consumers under the age 21 by making them show that they are able to make payments, or have a cosigner, in order to open a credit card account.

But This New Legislation Will Also Hurt Consumers...

While, the new legislation prohibits a myriad of credit card billing practices, they will cost the banking industry as much as \$50 billion in lost revenue.



Don't be shocked to see higher fees and higher interest rates show up on your credit card statements this year.

To make up for these losses, credit card issuers are taking action now, before the act goes into effect: They're hiking APRs, cutting credit limits, changing fixed rates to variable rates for many card holders, eradicating or severely limiting promotional rates and lastly, but most interestingly, introducing new fees.

Are you ready to be charged for getting your printed credit card statement by mail? Well, you should be!

CreditCards.com reported that numerous retail credit card issuers will begin charging at least \$1 to mail your credit card statement to you. In other words, they'll essentially punish consumers who do not or simply cannot make their payments online.

In sum, the combination of a bad economy and new government regulation means credit will be more expensive for U.S. consumers.

So I suggest you get as much as information as you can, and pay close attention to any moves your particular credit card issuers make in the coming weeks and months.

And to find out more on what you need to know about the upcoming credit card issuer changes please visit the **Federal Reserve's consumer information site** that explains the new credit card rules in-depth.

Wishing you the very best in your personal finances,

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