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April 29, 2009

The Honorable Carolyn B. Maloney
Chairwoman
Subcommittee on Financial Institutions and Consumer Credit
U.S. House of Representatives
2332 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Maloney:

On behalf of AARP's 40 million members, we support passage of H.R. 627, the Credit Card Holders' Bill of Rights, and commend your leadership to protect the rights of consumers in a time of very serious economic hardship.

Credit card practices and related debt are of particular significance to older Americans, and never more so than now when savings, retirement accounts, and home equity have plummeted in value. Job loss and growing medical and other insurance costs have compounded the financial burden many now face. Older individuals are relying more and more on credit cards to defray financial obligations that previously were paid through other means. Research shows that credit card debt among card holders age 65 and older nearly doubled from 1989 to 2004. Further, according to a May, 2008 AARP survey, 44% of older individuals consider credit card debt to be a "major concern." The survey also found that 27% of older individuals reported having difficulty paying off credit card debt.

Last year, AARP filed comments in support of the credit card regulations proposed by the Federal Reserve. We likewise support provisions in your legislation that afford our members more time to pay their bills, that impose limits on when and how interest rates can be increased, and that require a notice period prior to imposing rate hikes. Putting card terms in plain language, understandable by all, is a significant improvement, as is the termination of double cycle billing and the requirement that high interest balances be paid first. These and other improvements contained in your bill will lessen the burden on all consumers without jeopardizing the availability of credit in hard times.

The Honorable Carolyn B. Maloney
April 29, 2009
Page 2

AARP thanks you for your efforts on behalf of our members struggling with credit card debt, and we will remain a resource for you and other Members of Congress on the impact of such debt on the age 50 plus population. For further information, please feel free to call me, or have your staff call Mary Wallace of our Government Relations staff at 202-746-8495.

Sincerely

A handwritten signature in black ink, appearing to read "Nancy LeaMond". The signature is fluid and cursive, with a large initial "N" and "L".

Nancy LeaMond
Executive Vice President
Social Impact