



March 12, 2008

The Honorable Carolyn Maloney
U.S. House of Representatives
2331 Rayburn House Office Building
Washington, DC 20515

Dear Representative Maloney:

On behalf of The Service Employees International Union's (SEIU) 1.9 million members, their families, and communities, I write to thank you for your leadership and for taking an important step toward ending abusive credit card practices by introducing H.R. 5244, the "Credit Cardholders' Bill of Rights Act." This legislation, when enacted, would stop draining billions of dollars in excessive fees and interest from working families each year keeping them mired in debt.

The credit card industry has moved steadily over the last several years to impose more burdensome penalties and fees on cardholders, and to ratchet up interest rates as high as 30 percent. According to recent press reports—and reflected in complaints from members received by SEIU—Bank of America and other issuers recently sent letters notifying thousands of their play-by-the-rules cardholders that the banks were doubling their interest rates without giving any explanation for that increase.

According to *BusinessWeek*, industry analysts are struck by how arbitrary the rate increases appear to be and by the magnitude of the interest rate increases. The same executives who are responsible for creating the current economic crisis facing working families—and yet are paying themselves billions in salaries and fresh stock options—are running up credit card interest rates to meet their new profit targets.

These exorbitant interest rates and punitive fees make it difficult, if not impossible, for families of modest means to actually pay down and pay off their credit card balances. As a consequence, many hard-working Americans who pay their bills nonetheless find themselves mired in debt.

The federal agencies that are responsible for protecting American consumers from the industry's worst abuses have failed to use their authority to stop deceptive and unfair practices that have become standard in the credit card industry. It now is time for Congress to step in and begin to restore fairness in the financial marketplace for working families.

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For additional information please contact Alison Reardon, Director of Legislation, at 202-730-7706, or Maureen Thompson at 703-276-3251. SEIU will include floor votes on this legislation in its legislation score card found at www.SEIU.org.

Sincerely,



Anna Burger
International Secretary-Treasurer

AB:AR:gmb

cc: Members, House Financial Services Committee

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