

# The CARD Act - FAQ

**Q: What does the CARD Act Stand for?**

A: CARD ACT stands for Credit Card Accountability, Responsibility and Disclosure Act of 2009. The act applies *only* to credit cards, not debit or ATM cards.

**Q: What is the purpose of the CARD Act?**

A; To eliminate the unsavory lending practices used by some financial institutions and credit card companies. As ICCU does *not* engage in these practices (like increasing your interest rate after missing the payment due date by one day; or decreasing your line of credit automatically) so the impact will be minimal.

**Q: What is an open-ended loan?**

A: Open-ended loans allow the borrower to put money in (make a payment) and get money (withdrawal/loan) without repeated paperwork and processing. They are considered flexible loan products, typically secured with a borrower's signature.

**Q: Why should you care?**

A: Your credit cards are directly impacted -- from all sources. The first round began August 20, 2009 and involves the timing of mailing monthly statements and the due dates. For example, consumers are now given 21 days from when the statement is mailed to when the payment is made -- to avoid excessive late fees. At ICCU, we've heard horror stories from members who tell us they were JUST one to two days late on a payment and their rate increased automatically from 6% to 26%! Yes, it's happening...but not at your credit union.

**Q: Can you tell me more about ICCU's lending practices?**

A: You can rest assured that your credit union has never, nor has any plans to engage in deceptive rate hikes, line decreases or participate in any of the traps that are done to make money off consumers.

ICCU has always offered low rates, comfortable terms and no hoops or hype. Meaning, your credit union won't suck you in with a low introductory rate, only to change it to a high rate six months in, after you are comfortable. The only time ICCU would raise an interest rate is in cases of SEVERE delinquency (more than 60 days) -- and you'll be well informed of that situation, if applicable.

**Q: How can I transfer my high rate cards and loans to ICCU?**

A: Call or visit a Financial Service Representative, or apply online. There is never a fee to apply. Turn-around time is quick. Typically, the same day.

Credit card balance transfers are free, quick, and simple to do...so you can say "goodbye" to Target credit at 22% APR and "goodbye" to Home Depot at 26% APR.

Questions? Contact the ICCU Financial Service Department.

Resources: "[Consumer's Guide to Understanding Credit Cards](#)"

