

THE FINANCIAL SERVICES ROUNDTABLE



Financing America's Economy

To: Representatives of the Financial Services Roundtable, GAC, Public Affairs Council, All Staff

Fast Facts: CREDIT CARDS

The following data is taken from the Federal Reserve's H.8 report; Fitch Credit Card Index

FACT: In June 2010, card users paid back 19.61% of their balances – a 14% increase compared to June 2009. This is the highest payback rate in 29 months.

FACT: In June 2010, late payments improved for the sixth consecutive month and dipped below the 4% threshold for the first time in 18 months.

FACT: Write-offs of uncollectable credit card debt improved for the first time since January 2007. Write-offs occur when loans are 180 days past due.

FACT: In July 2010, commercial banks had \$638.2 billion credit card loans extended to consumers, compared to \$359.8 billion in July 2009. That is a 77% increase in lending.

FACT: The last set of rules from the Credit Card Accountability, Responsibility and Disclosure (CARD) Act will go into effect next Monday, August 22, including:

- No fees over \$25
- No multiple fees for a single transaction
- No inactivity fees
- Explanation required for increased APR.
- APR increases must be re-evaluated every six months.

For more information, please visit www.federalreserve.gov

Please note this report is also attached as a PDF. If you have questions or comments, contact Abby McCloskey, Director of Research at the Financial Services Roundtable, at abbyresearch@fsround.org.

Sources

Fitch's Credit Card Index tracks more than \$40 billion of retail or private label credit card ABS backed by approximately \$55 billion of principal receivables.

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