

**Opening Statement of Representative Michael N. Castle (DE)  
March 13, 208  
Subcommittee on Financial Institutions and Consumer Credit  
Hearing on “The Credit Cardholders’ Bill of Rights: Providing  
New Protections for Consumers”**

Good morning. Credit cards are the focus of our hearing and we will hear today and in the coming weeks from witnesses -- consumers, regulators, and businesses -- about a range of issues. While I have an open mind about ideas for reform, I also think it is very important to keep some basic facts and our subsequent discussions in perspective:

- We are a nation with about 225 million credit active Americans
- According to the Federal Reserve, around 640 million credit cards are in circulation in this country
- The Fed published a report a few years ago that said the average American consumer has 5 credit cards; One in ten consumers has more than 10 credit cards in their wallet
- And, I have seen a study that shows that most consumers keep their credit cards a minimum of 7 years and frequently much, much longer.

My point is this: Consumers, overall, are a pretty savvy group. If they find a good deal, they stick with it. If they find a bad deal or are treated poorly, they drop that product or service in a heartbeat. And since the overwhelming majority...about 90% of the public pays its credit card bills on time, I worry that well intended legislative efforts might go too far -- especially since the final, updated version of Federal Reserve Regulation Z will address many of the provisions included in H.R. 5244 and is scheduled for release soon.

Let me be clear about this so our witnesses and the public can have a better appreciation for all that the Federal Reserve has done relative to these soon-to-be-released regulations:

The professional staff at the Federal Reserve has put out for comment several different consumer tested ideas related to credit cards that were developed in part with the help of consumer focus groups. The Fed has been very deliberate in their approach to these issues and has gone so far as hiring consumer focus groups to test proposed disclosure and billing ideas. Subsequently, as this process has unfolded, the Fed has had to review over 2,500 comments from banks, consumers, consumer groups, lawyers and so forth concerning these issues and proposed solutions. All of this work is coming to an end later this year and I would prefer to see what final changes are proffered by the Fed before pursuing any legislative proposals.

Madame Chair, our economy is struggling. And while I want to do everything I can to make certain consumers are dealt a fair hand and our financial services industry thrives, I look forward to the testimony today and the important work the Federal Reserve will release later this year.