

## Limit Predatory Credit Card Company Practices

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3 **WHEREAS**, the Washington State Democratic Party 2004 Platform Labor and  
4 Economic Justice plank states that economic justice for working families is essential for  
5 the realization of a democratic society and that we oppose profiteering and predatory  
6 lending;

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8 **WHEREAS**, the largest credit-card lender's profits exceed those of Wal Mart, Microsoft,  
9 City Bank and McDonalds;

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11 **WHEREAS**, Americans pay over \$50 billion per year in finance charges for credit cards  
12 while the U.S. household deficit is more than \$350 billion;

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14 **WHEREAS**, credit card lender interest rates as high as 40%, late payment fees as high as  
15 \$39 and penalty interest rates seven percentage points higher than the average regular  
16 annual percentage rate, disproportionately affect the most economically vulnerable  
17 families;

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19 **WHEREAS**, the Federal Office of the Comptroller of the Currency has failed to protect  
20 consumers from deceptive and exploitative credit card company practices, while acting  
21 to keep local governments from taking actions to protect consumers;

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23 **THEREFORE BE IT RESOLVED**, that the Washington Sate Democratic Central  
24 Committee urge our state and federal legislators to investigate the practices of the  
25 credit-card companies;

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27 **THEREFORE BE IT FURTHER RESOLVED**, the WSDCC urge our federal and state  
28 legislators to sponsor and support legislation that would

- 29 1. Prohibit "universal default" interest rates.
- 30 2. Limit the interest rate companies may charge cardholders.
- 31 3. Ban changes to the interest rate on past purchases.
- 32 4. Require at least a three (3) billing cycle advance notice for changing terms of  
33 the credit-card agreement.
- 34 5. Require the credit card holders permission to change the terms of the credit-  
35 card agreement.

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38 Submitted to the WSDCC for consideration at its September 17, 2005 meeting in Everett  
39 by the Washington State Federation of Democratic Women (9/16/2005).

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41 The WSDCC Resolutions Committee did not take action on this resolution at its  
42 September 17, 2005 meeting in Everett. It will readdress this resolution at its November  
43 12, 2005 meeting in Ocean Shores.

44 The resolution was not brought to the floor of the WSDCC meeting for consideration at  
45 its September 17, 2005 meeting in Everett.

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47 The WSDCC Resolutions Committee referred this resolution back to the Washington  
48 State Federation of Democratic Women at its November 12, 2005 meeting in Ocean  
49 Shores.

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51 The Resolution was not brought to the floor of the WSDCC meeting for consideration at  
52 its November 12, 2005 meeting in Ocean Shores.

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54 Resubmitted as amended to the WSDCC for consideration at its January 28, 2006  
55 meeting in South Seattle - Kent by the Washington State Federation of Democratic  
56 Women. (1/20/06)

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58 The WSDCC Resolutions Committee amended this resolution and recommended a  
59 "Pass" at its January 28, 2006 meeting in South Seattle - Kent.

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61 Passed by the WSDCC at its January 28, 2006 meeting in South Seattle - Kent.