

*Statement of Congressman Michael N. Castle*

*Financial Institutions Subcommittee Hearing on  
"Credit Card Practices: Current Consumer and Regulatory Issues"*

*April 26, 2007*

Thank you Chairwoman Maloney and Ranking Member Gillmor for holding this hearing before the Financial Institutions and Consumer Credit Subcommittee today.

Credit cards have become a staple in today's marketplace. They provide enormous convenience, efficiencies and other benefits to consumers, businesses, and local and national economies. Credit cards have generated more than \$2.5 trillion in transactions a year in the United States. Clearly, they have become an indispensable tool of America's consumer economy.

Today, consumers have a choice between 6,000 credit cards lenders. Although some consumers view the large number of credit options to be daunting, the strong national credit system in the United States has been a driving force that has helped sustain our economy in recent years. Educating consumers and enabling individuals to understand their credit terms is an important task -- the review by this Subcommittee today will help us better understand how consumers and the financial services industry can have a more symbiotic relationship.

Certain industry practices related to credit card fees, penalties, and interest rates have received a considerable amount of media attention lately. It is important to note, that in response to increasing concerns, several credit card issuers, such as Citigroup and Chase Card Services, have taken significant steps to improve their practices and ensure that their customers have a better understanding of their accounts. Therefore, Madam Chair, after we hear from consumer organizations, institutions and university professors, I do hope we will take the time to hear from industry regulators so we can keep the scope of these issues in some context.

Madam Chair, I thank you for holding this hearing today and I look forward to hearing from each of our witnesses.