

By Senator Justice

16-00544-09

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1                   A bill to be entitled  
2           An act relating to credit card rates; defining the  
3           terms "cardholder" and "issuer"; prohibiting an issuer  
4           of a credit card from including a universal default  
5           clause in the issuer's credit card contract or  
6           agreement with a cardholder; prohibiting an issuer  
7           from increasing the interest rate of a cardholder if  
8           the cardholder is late with a payment to another  
9           credit card issuer; providing an exception;  
10          prohibiting an issuer from increasing the interest  
11          rate of a cardholder if the cardholder has incurred  
12          additional debt pursuant to a home equity line of  
13          credit or home equity loan, but has otherwise  
14          continued to make timely payments to the issuer of the  
15          credit card; providing an effective date.

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17 Be It Enacted by the Legislature of the State of Florida:

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19       Section 1. Credit card rates; limitations.-

20       (1) As used in this section, the term:

21       (a) "Cardholder" means the person or organization named on  
22 the face of a credit card to whom or for whose benefit the  
23 credit card is issued by an issuer.

24       (b) "Issuer" means the business organization, state or  
25 federal government, or financial institution, or its duly  
26 authorized agent, which issues a credit card.

27       (2) An issuer may not include in the credit card contract  
28 or agreement a universal default clause that increases the  
29 interest rate paid by the cardholder due to the cardholder

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30 making a late payment to another credit card issuer or creditor.

31 (3) An issuer may not increase the interest rate paid by a  
32 cardholder if the cardholder:

33 (a) Is late with a payment to another credit card issuer or  
34 creditor, unless the cardholder is also late with a credit card  
35 payment to the issuer.

36 (b) Has incurred additional debt pursuant to a home equity  
37 line of credit or home equity loan, but has otherwise continued  
38 to make timely payments to the issuer of the credit card.

39 Section 2. This act shall take effect July 1, 2009.