

# CONSUMER ACTION

## 2010-2011 CREDIT CARD SURVEY SUMMARY

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PAGE 1: About the Survey  
PAGE 3: Card Fundamentals  
PAGE 5: Introductory Rates &  
Balance Transfers  
PAGE 6: Cash Advances  
PAGE 7: Rewards

PAGE 8: Default Rates  
PAGE 8: Other Fees  
PAGE 10: Change of Terms  
PAGE 10: Miscellaneous  
PAGES 12: Appendices  
PAGES 28: About Us

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### ABOUT THE SURVEY

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The survey was conducted between Sept. 21-Oct. 27, 2010 by Vickie Tse, Dennis Wong and Ruth Susswein of Consumer Action. The survey included 41 cards from 20 financial institutions. The Prime Rate was 3.25% during the survey period (unchanged since our last survey conducted from March 4-May 20, 2009). Note: You are prohibited from using Consumer Action's name or any reference to its surveys in advertising or for any other commercial purpose. © 2011

#### **20 financial institutions**

- |                                 |                                 |
|---------------------------------|---------------------------------|
| 1. American Express             | 11. Golden 1 FCU                |
| 2. Bank of America              | 12. HSBC                        |
| 3. Capital One Bank             | 13. Iberia Bank                 |
| 4. Chase                        | 14. Navy Federal Credit Union   |
| 5. Citi                         | 15. Pentagon FCU                |
| 6. Digital Federal Credit Union | 16. PNC Bank                    |
| 7. Discover Bank                | 17. Simmons First National Bank |
| 8. Everbank                     | 18. Town North Bank*            |
| 9. Fifth Third Bank             | 19. US Bank                     |
| 10. First Command Bank          | 20. Wells Fargo                 |

\* Town North Bank card that was surveyed is no longer available.

#### **41 surveyed credit cards**

(Variable rate: 40 / Fixed rate: 1)

\*Cards marked with asterisk are no longer available.

- |                           |                         |
|---------------------------|-------------------------|
| 1. American Express Blue  | 3. American Express     |
| 2. American Express Clear | Platinum Delta Skymiles |

4. Accelerated Cash Rewards American Express Card
  5. BankAmericard Cash Rewards Visa Signature
  6. Bank of America Power Rewards Visa Signature
  7. Bank of America Student Platinum Visa
  8. Bank of America Virgin Atlantic Black Card American Express Card
  9. Bank of America Virgin Atlantic White Card American Express Card
  10. Capital One No Hassle Miles Reward
  11. Capital One Platinum Prestige
  12. Capital One Standard Platinum
  13. Citi AT&T Universal Savings Platinum
  14. Citi Diamond Preferred Rewards Card
  15. Citi Platinum Select Master Card
  16. Digital Federal Credit Union DCU Rewards Visa Card
  17. Discover Miles
  18. Discover More Platinum
  19. Discover Open Road
  20. Everbank Visa Platinum
  21. Fifth Third Bank Cash Rewards Mastercard
  22. Fifth Third Bank Visa Signature Rewards
  23. First Command Bank Platinum Visa Card
  24. Golden 1 FCU Platinum Visa Reward (Low Rate)
  25. HSBC Cash or Fly Rewards Mastercard
  26. HSBC Platinum Visa with Cash Back\*
  27. Iberia Bank Visa Classic
  28. Chase Sapphire
  29. Chase Slate
  30. Chase Freedom Card
  31. Navy Federal Credit Union MasterCard goRewards
  32. Pentagon FCU Visa Platinum Reward
  33. PNC Bank Everyday Rewards Visa (cash back)
  34. PNC Bank Visa Platinum (low rate)
  35. Simmons First National Bank Visa Platinum Card
  36. Town North Bank TNB Platinum Mastercard\*
  37. US Bank FlexPerks Select Rewards Visa
  38. US Bank Travel Rewards Visa Platinum
  39. US Bank Visa Platinum
  40. Wells Fargo Cash Back Platinum Card
  41. Wells Fargo Visa Platinum
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## **Section 1: CARD FUNDAMENTALS**

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### **What is the annual fee?**

Five of the 41 surveyed cards (12%) had annual fees. The range of fees: \$18 (Navy Federal Credit Union)-\$150 (Platinum Delta SkyMiles). Average fee: \$65.20.

*[In 2009 the average annual fee was \$62.75. Last year, 8 out of 39 surveyed cards (20%) had annual fees.]*

### **What is the grace period?**

- 1 card – can't determine grace period (HSBC)
- 25 cards: 25 days
- 3 cards: 24-30 days
- 4 cards: 21 days
- 3 cards: 23 days

*[In 2009, 14 of the 39 surveyed cards had grace periods of 20 days. The CARD Act has impacted grace periods because the rules require at least 21 days between the end of the billing cycle and the due date, meaning that 21 days is the minimum possible grace period under the rules.]*

### **Is there any information given about how the minimum monthly payment is calculated?**

10 institutions provided information (see appendix)

9 institutions provided no details:

1. Citibank (South Dakota), N.A
2. Discover Bank
3. Everbank
4. Fifth Third Bank
5. Iberia Bank
6. JP Morgan Chase & Co
7. Navy Federal Credit Union
8. Pentagon FCU
9. Simmons First National Bank

See Appendix 1 for monthly minimum payment information by card.

### **What is the APR for purchases?**

15.05% is the average APR overall for the 41 cards. Range: 6.25% (First Command Bank) – 24.90% (Capital One). Capital One offers rates from 9.90% to 24.90%, depending on creditworthiness of the applicant.

The average variable rate for the 40 cards is 15.06%, and the variable ranges are the same as for the overall field of surveyed cards (see above).

29 cards (about 70%) featured a range of rates  
12 cards quoted one rate

*[In 2009, the average APR for all surveyed cards was 12.83%. The range was 4.25% (Platinum Visa, First Command Bank) to 22.99% (high rate\* on US Bank). \*Rate was dependent on credit rating. The average rate on variable cards was 13.20%, and the average on fixed-rate cards was 10.03%. Last year (2009) 27 cards featured a range of rates and 12 cards quoted one rate.]*

**Is the APR for purchases fixed or variable?**

This year, only one surveyed card was fixed (Town North Bank TNB Platinum Mastercard). The remainder (40 cards, or 97.5% of surveyed cards) has variable rates.

In 2010, all the fixed rate cards surveyed in 2009 now have variable interest rates. In 2009, Consumer Action surveyed these fixed rate cards:

<b>Institution/Card Name</b>	<b>2009 - Fixed Rate Cards</b>	<b>2010 – New Variable Rates</b>
Golden1 Federal Credit Union - Visa Platinum Reward	9.9% to 16.9%	9.99%-15.00%
Navy Federal Credit Union- Mastercard goRewards	9.40%	9.49%-18.00%
Pentagon Federal Credit Union - Visa Platinum Rewards	13.99%	
Pulaski Bank (Iberia Bank)* - Visa Classic	6.50%	7.25%, 10.25%, or 13.25%
Simmons First – Visa Platinum Visa Platinum	7.25%	7.25%

*\*Became Iberia Bank during our 2009 survey*

**If variable, what is the margin APR(s) for purchases?**

First Command Bank Platinum Visa Card (Prime + 3%) to 21.65% (high rate for Capital One).

**What Index is the Purchase APR rate tied to?** All of the variable rate cards (40 out of 41 cards) were tied to Prime. Fifth Third Bank (Cash Rewards Mastercard) offered the sole fixed rate card.

## **If the Index changes, how quickly would my rate change?**

Our surveyors found this information disclosed at 15 of the 21 surveyed issuers. (Citi, Iberia Bank, Pentagon FCU, Town North Bank and US Bank did not disclose this information on solicitations or on their websites.) The majority of banks changed the rate in the next billing cycle immediately following a change in the Prime Rate.

See Appendix 2 for details on when rates change.

## **Section 2: INTRODUCTORY RATES AND BALANCE TRANSFERS**

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### **Is there an introductory APR for Purchases?**

- 21 cards had purchase introductory rates.
- 20 cards - Zero Percent (0%).
- 1 card – 0% to 4.99% (based on creditworthiness).
- Length of intro period varied from 12 months (seven cards) to 6 months (seven cards).
- Three cards use months (or billing cycles); three cards specified a date in the future, i.e. "...through your 05/2011 billing period".

### **Is there an introductory APR for Balance Transfers for this card?**

- 22 cards offered an intro rate for balance transfers made when the card is opened or shortly thereafter. 17 cards offered intro rates of 0% on balance transfers. On another five cards, intros on balance transfers ranged from 1.99% (Capital One Platinum Prestige) to 9.99% (Citi Platinum Select Mastercard).
- The intro rates on balance transfers lasted from 6 months to two years. Two cards had seven to 10 months; six cards for six months; eight cards for 12 months; one card for 15 months; one for 21 months; one for 24 months; one through August 2011; one for six to 24 months, depending on the specific account.

### **What is the Balance Transfer fee?**

- 2% (Iberia Bank) – 5% (Citi Platinum Select, Chase Freedom, all Discover cards (on transfers not made at time of application) and Wells Visa Platinum.
- Average balance transfer fee: 3.53% (32 cards)

*[Average balance transfer fee in 2009 survey: 2.94%]*

### **What are the minimum and maximum balance transfer fees?**

**Minimum:** We could find minimum balance transfer fees for only seven of the surveyed banks. The minimum fees were \$5 (Fifth Third, HSBC, Town North, PNC and Wells Fargo) or \$10 (Discover and Pentagon Federal Credit Union)

**Maximum:** Only three surveyed banks had maximum balance transfer fees: HSBC (\$75), Town North (\$99) and Pentagon Federal Credit Union (\$100)

### **Are balance transfer fees waived during the promotion?**

The following 13 cards from 8 institutions stated that the fee would be waived on balance transfers made on new applications:

1. Discover More
2. Discover Miles
3. Discover Open Road
4. Fifth Third Bank-Cash Rewards Mastercard
5. Fifth Third Bank-Visa Signature Rewards
6. HSBC-Cash or Fly Rewards Mastercard
7. Pentagon FCU-Visa Platinum Reward
8. PNC Bank-Everyday Rewards Visa (cash back)
9. Town North Bank-TNB Platinum Mastercard
10. US Bank-FlexPerks Select Rewards Visa
11. US Bank-Travel Rewards Visa Platinum
12. US Bank-Visa Platinum
13. Wells Fargo-Cash Back Platinum Card

### **Could you lose the intro rate?**

On 11 cards from seven institutions (Citi, Discover, Fifth Third, Chase, Pentagon Federal Credit Union, PNC Bank and Town North Bank) you can lose the introductory rate if you miss a payment. Additionally, your account may be raised to the regular “go to” rate or the penalty rate if your payment is 60 days or more late.

See Appendix 3 for the effect of defaults on introductory rates.

## **Section 3: CASH ADVANCES**

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**What is the APR for cash advances?** Thirty-eight surveyed cards (93%) have a different APR for cash advances than for purchases. The cash advance APRs ranged from 11.25% (Simmons First National Bank) to 25.24% (American

Express and Citi). The average cash advance rate on all cards with different APRs for cash advances was 22.62%.

**Is the APR for cash advances variable or fixed? If variable, what is the margin APR(s) for cash advances?**

Of the cards with different APRs for cash advances, only one had a fixed rate (Iberia Bank).

Variable cash advance rates fluctuate with the Prime Rate. The Prime Rate during our survey is 3.25%. Cash advance APR margins (Prime + \_\_\_\_\_%) ranged from Prime + 9.50% (Simmons First National Bank) to Prime + 21.99% (American Express and Citi).

**What is the Cash Advance Fee? What are the minimum and maximum cash advance fees?** The average cash advance fee on 37 cards is 3.81%. The range of cash advance fees based on the percentage of the amount advanced is 2% (First Command Bank) to 5% (Citi, Discover, Iberia, Chase and Wells Fargo). Thirty-seven cards have cash advance fees.

Cash advance fee minimum amounts ranged from \$4 to \$10. Issuers with minimum cash advance fees, who charge this amount even if the cash advance percentage-based fee is smaller are Discover Bank (\$10), Fifth Third Bank (\$5), Iberia Bank (\$5), PNC Bank (\$10), Simmons First National Bank (\$4), Town North Bank (\$3), US Bank (\$10) and Wells Fargo (\$10).

Cash advance fee maximum amounts ranged from \$5 (Golden 1 Federal Credit Union) to \$100 (Iberia Bank). Only three banks capped the fee, including First Command Bank (\$75).

Four cards had no cash advance fee: American Express Clear, Digital Federal Credit Union DCU Rewards Visa Card, Pentagon FCU Visa Platinum Reward, Navy Federal Credit Union MasterCard goRewards.

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**Section 4: REWARDS**

**Is this a Reward Card? (miles, cash, etc.) Type of reward?** Thirty-one of the surveyed cards (61%) have rewards. The breakdown on rewards is as follows:

- Cash back: 13 cards (42% of surveyed cards with rewards)
- Hybrid (featuring a mix of rewards such as travel, cash back and merchandise rewards): 12 (39%)
- Travel: 5 (16%)
- Savings: 1

See Appendix 4 for a chart with details and limits of surveyed rewards cards.

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**Section 5: DEFAULT RATES**

**Is there a default rate on this card? Is there more than one default rate on this card? What is the highest default rate?**

Thirty-two of the surveyed cards (78%) have penalty rates. The penalty rates range from 16.25% (Simmons First) to 29.99% (Chase). The average penalty rate is 25.69%. No penalty rates: Bank of America, Wells Fargo (see note below).

**Note:** *Wells Fargo says that “effective 7/6/2010, the Penalty APR terms will not be applied to accounts subject to Standard or Standard Variable Rate Terms or Promotional APRs. If the Penalty APR was in effect prior to 7/6/2010, it may apply to your account for at least six billing periods.”*

See Appendix 5 for a list of all default (penalty) rates found this year on surveyed cards.

**Are the penalty rates APR fixed or variable?**

Five banks (Fifth Third Bank, First Command Bank, Pentagon FCU, Town North Bank, US Bank) had fixed penalty rates; all other banks with penalty rates were variable and can fluctuate with the Prime Rate.

**What would cause you to raise my rate to the default rate? Anything else I might do that might raise my rate to the default rate?**

See Appendix 6 for the reasons given by the surveyed issuers that have default (penalty) rate provisions.

**Section 6: OTHER FEES**

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**Note:** Since Aug. 22, 2010, card issuers cannot charge “penalty fees” (fees for being late, for example) of more than \$25 unless one of your last six payments was late (in which case your fee may be up to \$35) or the company can show that the costs it incurs as a result of late payments justify a higher fee. We are unsure if any companies have made a case to justify higher fees.

In addition, your credit card company cannot charge a late payment fee that is greater than your minimum payment. So, if your minimum payment is \$20, your late payment fee can't be more than \$20. Similarly, if you exceed your credit limit by \$5, you can't be charged an over-the-limit fee of more than \$5.

While during our survey we encountered fees of more than \$35, post survey research shows that surveyed companies have adjusted their practices to the rule, and, in most cases are disclosing fees of “up to \$35.” The actual fee will depend on the individual account holder's minimum payment or conduct or whether the cardholder has given permission to permit and be charged for over



limit transactions.

### **What is the Late Payment fee?**

As noted above, the common practice of late fees that are tied to the balance amount has all but disappeared from credit card solicitations.

*[In 2009: This is quite a change from 2009, when many issuers used tiered fees of up to \$39 tied to the cardholder's balance. In 2009, 95% of all surveyed cards had late fees—the same finding as our 2008. The 2009 average late fee on the cards with a fee was \$28.19—a 9% increase over 2008 average of \$25.90.]*

See Appendix 7 for a list of late fees on surveyed cards as of Dec. 10, 2010.

### **What is the fee for being Over the Credit Limit?**

*Note: Since Aug. 22, 2010, card issuers are required to seek permission from cardholders before allowing them to go over their credit limits, and may charge a fee only with such permission.*

Twenty-nine (71%) of the surveyed cards had no over limit fee disclosed on solicitations. (The cards were issued by these institutions: American Express, Bank of America, Capital One (No Hassle Miles Reward Card), Citi, Digital Federal Credit Union, Discover, Everbank, Fifth Third, First Command, Golden 1 FCU, Iberia Bank, Pentagon FCU, PNC Bank, Simmons First and Wells Fargo.) We cannot conclude that this means they do not charge over limit fees to customers who allow over limit transactions.

Capital One disclosed on two of its cards (Platinum Prestige and Standard Platinum that its fee was “up to \$29” but noted that the over limit fee would not be charged unless the customer had given permission. Surveyed banks charging “up to \$35” on permitted over limit transactions are HSBC, Chase, and US Bank

We could not find current information about two cards: Navy Federal Credit Union MasterCard goRewards and Town North Bank TNB Platinum Mastercard.

### **What is the Returned Payment Fee?**

American Express Clear had no returned payment fee. The lowest returned payment fee among surveyed cards was Golden 1 FCU Platinum Visa Reward (\$5). Many cards featured the highest range of “up to \$35” per payment returned for insufficient funds

See Appendix 8 - Returned Payment Fees.

### **What is the fee for buying something while in a foreign country?**

Capital One is the only surveyed issuer who does not charge foreign transaction fees. Fees on foreign transactions ranged from 1% to 3% of the transaction amount.

See Appendix 9 for list of foreign transaction fees by surveyed issuer.

## **Section 8: CHANGE OF TERMS**

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### **Can APR (interest rate) increase or terms change “any time for any reason”?**

For virtually every institution we surveyed, our surveyors found language to suggest that cardholders’ rates and terms (subject to CARD Act rules) could be changed at will. We could not find any disclosure about the institution’s right to change rates and terms for First Command Bank Visa and Navy Federal Credit Union Mastercard.

## **Section 9: MISCELLANEOUS**

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### **Does this card require arbitration to settle disputes?**

Our surveyors found it difficult to find this information at the issuer's site or the Federal Reserve site for many of the surveyed issuers so we are presenting what our researchers can find for the seven largest credit card issuers. Since our last survey, Chase, Bank of America and Capital One announced they have dropped arbitration requirements from their consumer agreements or will not enforce them.

1. Bank of America – No arbitration
2. Chase – No arbitration
3. Citi - Requires arbitration: *Agreement to Arbitrate: Either you or we may, without the other’s consent, elect mandatory, binding arbitration for any claim, dispute, or controversy between you and us (called “Claims”).* Citi cardholder agreements can be found here:  
[https://www.citicards.com/cards/acq/cma.do?screenId=13461&locale=en\\_US](https://www.citicards.com/cards/acq/cma.do?screenId=13461&locale=en_US)
4. American Express - Any claim shall be resolved, upon the election by you or us, by arbitration pursuant to this Arbitration provision and the code of procedures of the arbitration organization to which the claim is referred in effect at the time the claim is filed (code), except to the extent the code conflicts with this Agreement. Amex cardholder agreements can be found here:

<https://www212.americanexpress.com/dsmlive/dsm/int/us/en/cmaproducts/page.do?vgnextoid=bbf185df62df5210VgnVCM100000defaad94RCRD>

5. Capital One – No arbitration
  6. HSBC - *This arbitration provision shall apply to any Claim (defined, below) by or against us or you or any other Covered Person, (defined below). You agree any claim, dispute, or controversy, (whether based upon contract; tort, intentional or otherwise; constitution; statute; common law; or equity and whether preexisting, present or future), including initial claims, counter-claims, cross-claims and third party claims, arising from or relating to (a) this Agreement, your Account, any transaction or activity involving any payment or failure to make payment on your Account or any solicitation, advertisement, promotion, oral or written statements related to this Agreement or your Account, (b) the relationships which result from this Agreement and your relationship with any Covered Person pursuant to the criteria in the immediately preceding subsection or (c) the scope, validity or enforceability of this arbitration clause, any part thereof or the entire Agreement (any of the foregoing a "Claim") shall be resolved upon the election of you, us, or any other Covered Person described below by binding arbitration pursuant to this arbitration provision and the applicable rules or procedures of the arbitration administrator selected at the time the Claim is filed. Cardholder agreement found on the Federal Reserve website.*
  7. Wells Fargo - Requires arbitration: *DISPUTE RESOLUTION PROGRAM: ARBITRATION AGREEMENT a. Binding Arbitration. You and Wells Fargo Bank, N.A. (the "Bank") agree that if a Dispute arises between you and the Bank, upon demand by either you or the Bank, the Dispute shall be resolved by the following arbitration process. The foregoing notwithstanding, the Bank shall not initiate an arbitration to collect a consumer debt, but reserves the right to arbitrate all other disputes with its consumer customers. Wells Fargo cardholder agreements can be found here: <https://www.wellsfargo.com/help/agreements.html>*
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## Section 10 - APPENDICES

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### Appendix 1 - Monthly Minimum Payment Calculations

American Express	To calculate the Minimum Payment Due, we start with the highest of the following computations: (1) 2% of the New Balance (excluding new late fees on the statement); (2) interest charged on the statement plus 1% of the New Balance (excluding new late fees and interest on the statement), not to exceed 4% of the New Balance; or (3) \$15. Then we add any late fees charged on the statement and round to the nearest whole dollar. After that, we add any amount past due. However, if your New Balance is less than \$15, your Minimum Payment Due will equal your New Balance.
Bank of America	The Current Payment for each billing cycle includes three amounts: (1) 1.00% of your balance (your New Balance Total except for any new interest charges, and Late Fee), and (2) new interest charges, and (3) new Late Fee. Generally, the lowest it will be is \$15.00. We round the payment amount down to the nearest dollar. If a payment is credited to your account but is returned unpaid in a later billing cycle, we will recalculate the Total Minimum Payment Due for the billing cycle in which the payment was originally credited.
Capital One Bank	If your balance is less than \$15, your minimum payment will equal your balance. Otherwise, your minimum payment will be the greater of \$15 or 1% of your balance plus interest (periodic finance charges) and late payment fees. If your Account is 180 days past due, part of a bankruptcy proceeding or otherwise charges off, the entire balance is due immediately.
Digital Federal Credit Union	This figure will be reflected on your statements and will be either: (a) 1.75% of your Ending Statement Balance, rounded to the nearest dollar, or \$10, whichever is greater, or (b) your Payoff Amount if less than \$10. (Found in issuer site.)
First Command Bank	Cardholder agrees to pay to Bank, on or prior to the Payment Due Date shown on the periodic statement, the sum of (a) either (i) the entire New Balance or (ii) at Cardholder's option, an amount which shall be at least 2.5% of the New Balance (rounded up to the nearest dollar) or \$50, whichever is greater, and (b) any amount that is past due and any amount that is over the Credit Limit.
Golden 1 FCU	If you are paying installments, each minimum payment will be 2% of the new balance on the date of cycle closing or

\$10, whichever is greater. (Found on issuer site.)

HSBC	(a) If your New Balance is not more than \$15, your Minimum Payment is the New Balance. (b) If your New Balance is more than \$15, your Minimum Payment is the greater of: (i) 1% of the New Balance shown on your statement plus the following: any periodic Finance Charges posted to your Account during the billing cycle, an amount equal to 1/12 of the Annual Fee, if applicable, or (ii) \$15 (c) Any Past Due Amount shown on your statement will be added to the Minimum Payment. (d) At our discretion, any Late Payment Fee and/or Over Limit Fee posted to your Account during the billing cycle may be added to your Minimum Payment. Your Minimum Payment Due will be rounded up to the nearest dollar, unless doing so will cause the resulting value to exceed the New Balance.
PNC Bank	The Minimum Revolving Payment will be the largest of: (A) \$10; or (B) 2.5% of the "New Balance" shown on your Statement, plus any past due amounts; or (C) 1.0% of the New Balance, plus (i) the total interest shown on your Statement, AND (ii) late fees and returned payment fees.
US Bank	We determine the "Base Minimum Payment", which is the greater of \$10 or 1% of your New Balance not including items (1) and (2) below. To the Base Minimum Payment, we may add one or more of the following items, as incurred on your Account: (1) any late, annual and/or any other Account related fee, (2) the Interest Charge, and (3) if your Account is over the Credit Limit, some or all of the balance amount over your Credit Limit.
Wells Fargo	(1) the sum of the Fees and Interest billed during the billing cycle for which the Minimum Payment is calculated plus 1% of the New Balance shown on the billing statement; or (2) \$15.00 (or the entire balance on the account if the New Balance is less than \$15.00). Please note that in computing your Minimum Payment, we will round-up to the next highest whole dollar amount.

## Appendix 2 – When Variable Rates Will Change

<b>Bank and Card Name</b>	<b>When variable rates will change</b>
American Express	When the Prime Rate changes, the resulting changes to variable APRs take effect as of the first day of the billing period.

Bank of America	An increase or decrease in the index will cause a corresponding increase or decrease in your variable rates on the first day of your billing cycle that begins in the same month in which the index is published.
Capital One	Variable rates on the following segment(s) will be updated quarterly and will take effect on the first day of your January, April, July and October billing periods.
Chase	This APR will vary with the market based on the Prime Rate.
Citi	This information is not disclosed in solicitations.
Digital Federal Credit Union	The Prime Rate used to determine your APR is the Prime Rate as published in the Wall Street Journal at the end of the month immediately preceding the start of each billing cycle.
Discover	We use the highest prime rate listed in The Wall Street Journal on the last business day of the month.
Everbank	An increase in the Prime Rate will take effect on the first day of the Billing Cycle.
Fifth Third Bank	First day of billing cycle.
First Command Bank	First day of each billing cycle.
Golden 1 FCU	In the event of a rate change, the new rate will be effective the first day of the next billing cycle.
HSBC	If the Prime Rate changes, the new APRs will take effect on the first day of your billing cycle beginning in the next month.
Iberia Bank	This information is not disclosed in solicitations.
Navy Federal Credit Union	On the first business day.
Pentagon FCU	This information is not disclosed in solicitations.
PNC Bank	Any change to periodic rates of interest and corresponding annual percentage rates that are a result of a change to the Index will be effective as of the first day of the applicable Billing Cycle.
Simmons First National Bank	Changes in APRs (increases or decreases) due to changes in the Prime Rate will be effective on the first day of your next statement cycle beginning at least two days after the change in the Prime Rate.
Town North Bank	This information is not disclosed in solicitations.
US Bank	This information is not disclosed in solicitations.
Wells Fargo	New rate will apply as of the first day of your billing period.

### Appendix 3 - Effect of defaults on introductory rates

Citi	We may end your introductory APR and apply the Penalty APR if you make a late payment.
Discover	Loss of Introductory APR: We may end the availability of any introductory APR on new transactions and apply the Penalty APR to new transactions if you make a late payment.
Fifth Third Bank	We may end your introductory APR for Purchases and Balance Transfers and apply the APR in effect or the Penalty APR if you make a late payment, make a payment that is returned or use a Convenience Check that is not honored.
Chase	We will end your introductory APR if any required Minimum Payment is 60 days late, and apply the Penalty APR. This APR will vary with the market based on the Prime Rate.
Pentagon FCU	We may end your promotional Balance Transfer APR and apply the Penalty APR if we do not receive your payment within 60 days of the due date.
PNC Bank	We may end your introductory APR and apply the Penalty APR if you make a late payment.
Town North Bank	We may end your introductory APR and apply the Penalty APR if you make a late payment.

## Appendix 4 – Rewards

*Note: Hybrid is a combination of rewards, such as cash and travel miles, or merchandise points and travel miles.*

Issuer/Card	Reward Type	Reward Description
American Express Blue	Cash back	You can get money back from this card - if you read the fine print first. The amount you receive back, or the rebate, depends on how much you purchase on the card in a 12-month time span (which starts on the day the card is activated). There are two major catches: the first is that the purchases have to be "eligible" for the rebate. "Everyday" purchases (defined as grocery stores and supermarkets, gas stations, and drug stores, not superstores or warehouse clubs) get you a 1% rebate rate up to \$6500, after which the rate goes up to 5%. Any fees, interest charges, balance transfers, travelers checks, or other cash-like purchases aren't considered eligible. The second catch is that you have to pay on time every month for it to count, and if you miss the due date 3 times in a row, or Amex cancels your card, you lose out on the whole rebate year.
American Express Clear	Cash back	This card is fairly straightforward - for every \$2,500 you spend, you get a \$25 gift card. Everything you buy can go towards getting the gift card, except fees, interest rate charges, balance transfers, and other cash-like purchases. As always, make your payments on time. If you miss a payment, the amount you spent during that billing cycle won't count towards the gift card, and if you miss a payment during a billing cycle in which you actually earned the card, you'll be out of luck.



Bank of America Accelerated Cash Rewards American Express Card	Cash back	Timing is everything with Bank of America/Amex's Accelerated Cash Back card. Within the first 60 days of opening the card, you can get \$50 credited to your account when you spend \$100. And balance transfers made during that time will be charged 0% interest. You can also get 0% interest on purchases for 7 or 10 billing cycles (they don't say which one). The rate for new stuff you buy is 1.25%, and there's no limit on how much cash you can get back. You can get the rebate in the form of a check, credit on your card, or direct deposit to your bank account. Make sure you specify one of these methods because if you haven't done so after 5 years, you lose the rebate.
Bank of America BankAmericard Cash Rewards Visa Signature	Cash back	To be eligible for any cash back on this card you have to spend at least \$50 in the first 60 days of your account opening. The first six months are also key: You can get 3% back on everyday items, which are limited to groceries, gas, and pharmacies, you buy during this time. It has to be with "participating" stores so check with the store before you buy. Other times you'll get 1% back on any retail purchases, excluding any cash-like spending on things like balance transfers or interest charges. This card offers an additional 25% of the amount back when you redeem \$300 or more in rewards (which means you've already spent a minimum of \$3,000). You can get your rewards on demand in the form of a check, credit to your account, direct deposit, or even as a payment towards your mortgage loan.

Discover More Platinum	Cash back	You'll earn .25% cash back on the first three thousand bucks you spend, then 1% after that. Warehouse purchases, like at Sam's Club or BJ's, earn .25% as well, and they have a program for "category" purchases (you have to sign up individually for each program), each with a specific dollar amount you have to reach before you get 5% back in cash rewards. As with many cards, you can't include warehouse purchases in the annual total to get the 1% cash back. There's no expiration date on rewards but if you miss a payment, or your account is closed or inactive for 18 months, there will be no rewards for you.
Discover Open Road	Cash back	If buying gas for the car and eating out tend to eat up the credit card bill every month, this card might be the one for you. For every \$250 you spend on these items (check the card website to make sure your local stores qualify first) per billing cycle, you can get 2% cash back. Other things you buy outside of gas and restaurants will earn you .25% up to \$3,000. After that, you get bumped up to 1% cash back. Warehouse purchases can't be included in the combined gas and restaurant purchases each month.
Fifth Third Bank Cash Rewards Mastercard	Cash back	Using a credit card to pay for basic necessities like utilities? This Mastercard offers one percent cash reward for each dollar you spend, including monthly bill payments such as utilities, phone, cable, Internet - even the gym. You'll get fifty bucks back in rewards for every \$5,000 you spend.
Golden 1 FCU - Platinum Visa Reward (Low Rate)	Cash back	This no-frills card gives 1% back in cash on "qualified" purchases - so be sure to find out what qualifies before you buy. You have to have an active, open savings account with Golden 1 FCU.

Chase Freedom	Cash back	The complicated rules of Chase's Freedom card belie the name but we'll try to break it down: you earn rewards by points and the key ratio is 1:1. 1% cash rewards equals one point, and one point equals one penny in cash back. Confused? It means that if you rack up 2,000 points through your spending, you'll get \$20 back. The most cash you can get back is 5%, which comes from 1% on all purchases and 4% in "bonus" categories (defined by Chase, and there's a maximum you can get in bonuses each quarter). Though you can get more points if you book airfare through Chase's online program, beware that you may be charged a service fee of \$20 (for use of a toll-free number no less).
Pentagon Federal Credit Union Visa Platinum Reward	Cash back	Rewards come via the gas pump for this Pentagon FCU card. Cardholders get a 5% rebate for the gas they buy, plus 2% cash back on groceries and 1% back for everything else you buy during a billing cycle. Cash-like purchases (advances, balance transfers) don't count and make sure to check that your gas station or supermarket qualifies for the rebates.
PNC Bank Everyday Rewards Visa (cash back)	Cash back	PNC likes categories. The bank's Everyday Rewards Card breaks down its rebates based on where, and what, you buy. 4% back from gas (with a \$250 monthly cap), 3% on movie rentals and tickets (\$150 monthly cap), 2% on food (\$750 monthly cap), and 1% on everything else. You'll get .25% cash back on the first \$10,000 you spend each year, with 1% after that.
Wells Fargo Cash Back Platinum Card	Cash back	Ah, simplicity. Wells Fargo offers fine print that is actually understandable. You get 1% cash back, unlimited, on purchases, excluding ATM transactions. Period.
HSBC Platinum Visa with Cash Back	Cash back	HSBC is selling simplicity, too. Get 1% back for every dollar with no limits or spending requirements.
Town North Bank TNB Platinum Mastercard	Hybrid	Be sure to read which purchases qualify for rewards on this card. It's one point for every dollar on a wide variety of items, including music you download and charitable donations.

Bank of America Power Rewards Visa Signature	Hybrid	There are some key restrictions to be aware of with this card. Though the reward-earning ratio is fairly straightforward - you get 1 point per dollar on all purchases made during a billing cycle - the points are only redeemable when you hit 2,5000 for regular purchases and 15,000 for airfare, and they are only valid for five years.
Citi Diamond Preferred Rewards Card	Hybrid	Gratitude is not its own reward on this Citi card. In the basic agreement, you get a "ThankYou" point per dollar you spend, and only on "eligible" purchases which means check their website before you buy. Interestingly, personal banking transactions are included as eligible for rewards. However, the fine print indicates that there are other "ThankYou" point offers with different rewards-earning potential. There's a limit of 75,000 "ThankYou" points a year, and they expire in five years.
Digital Federal Credit Union - DCU Rewards Visa Card	Hybrid	Very little detail available to provide a summary.
Everbank Visa Platinum	Hybrid	Everbank farms out its rewards program to another company, and the details are fuzzy. It's a points-based system, with consumers getting a point for every dollar. The third party company, Metavante, Inc., offers travel perks if you book using your rewards, such as no blackout dates. Also, reward seekers can shop on the company's website to redeem their points on things like appliances and electronics.
Fifth Third Bank Visa Signature Rewards	Hybrid	Gas gets you double: you'll get two points in rewards for each dollar you spend at the pump. One point per dollar for everything else.
First Command Bank Platinum Visa	Hybrid	Very little detail available to provide a summary.
HSBC Cash or Fly Rewards Mastercard	Hybrid	For cardholders who wish to redeem points on airfare, HSBC offers one point for every dollar spent. You can only start redeeming for travel, however, when you have 7,500 points. Other purchases will get you 1% cash back.

Chase Sapphire	Hybrid	Most purchases will get one point for every dollar you spent, unless you shop at the "Ultimate Rewards Mall," when you can earn ten bonus points per dollar.
Navy Federal Credit Union Mastercard goRewards	Hybrid	It's one to one point seven again: reward seekers can get one point and 1.7% cash back for every dollar spent. Be careful to redeem your points in a timely fashion - they expire in four years.
US Bank FlexPerks Select Rewards Visa	Hybrid	US Bank offers "FlexPoints" on this rewards card, apparently because you can use the points you earn in a wide variety of ways (but you'll have to check their website to see exactly how). Cardholders get one point for every two dollars they spend - which is not flexible - and a 2,500-point bonus when you first sign up. Points won't be doled out for cash-like purchases (balance transfers or convenience checks) or "betting" transactions like buying lottery tickets.
US Bank Travel Rewards Visa Platinum	Hybrid	There's no cash back on this travel card. You'll earn one point for every dollar each billing cycle, with a maximum of 120,000 points a year. Cash-like transactions (balance transfers, travelers checks, as well as lottery tickets) aren't included in point totals.
Citi AT&T Universal Savings Platinum	Savings	Rather than rewards, this AT&T Universal card offers savings in the form of a credit on your card account. The savings is based on "eligible" transactions, which they leave undefined, and you can only get a maximum of \$350 during a calendar year.
American Express Platinum Delta Skymiles	Travel	If you fly the friendly skies with Delta, you earn 1 additional mile per dollar on this travel card, though it doesn't count if the Delta purchase is a part of an all-inclusive package. You can also transfer miles to a Delta SkyMiles account each billing period. Other purchases are 1 mile per dollar. Keep in mind that you'll lose any miles you earned if you are late on a payment and you'll owe a \$29 fee.

Bank of America Virgin Atlantic Black Card American Express Card	Travel	Customers of Virgin Atlantic have the most to gain from this travel card. You can earn 3 miles per dollar you spend on Virgin Atlantic purchases and 1.5 miles per dollar for retail items, with bonuses of 20,000 miles after your first purchase and 15,000 miles after a year.
Bank of America Virgin Atlantic White Card American Express Card	Travel	Virgin Atlantic is again hoping to drum up business with its White card, which has similar, though less robust, perks than the Black Card. You will earn 3 miles per dollar spent on VA purchases, with 1.5 miles per dollar on other retail stuff. There are bonuses of 12,500 miles after your first retail purchase, 7,500 after a year, and 2,500 when you add a card member.
Capital One Bank No Hassle Miles Reward	Travel	No hassle? Maybe not, but you'll have to be on high alert to understand how to redeem rewards on this travel card. You earn 1.25 miles per dollar you spend on travel, either at a travel vendor of your choosing or at Capital One's booking site. Be sure to quickly use the points you earn on this travel card - you only have 90 days from when your travel purchases post to your account to redeem miles. To figure out how many miles you might need for a trip, multiply the cost of the trip by 100. If you are assigned a late payment fee, you'll lose any rewards you earned during that month.
Discover Miles	Travel	Like to travel? This card is all about miles. Each year you can earn two miles for every dollar you spend (up to \$3,000) on travel, things like airline tickets, hotel rooms, and car rentals, and restaurants, including fine dining and fast food. You can get one mile per dollar on all other expenses up to and beyond \$3,000. Unlike some other cards, there's no expiration date on your miles but you can't miss two payments in a row or let your account become inactive for 18 months, otherwise you'll lose your miles.

## Appendix 5 - Highest default rate (penalty APR) by card

<b>Bank and Card Name</b>	<b>Highest Penalty Rate</b>
Simmons First National Bank Visa Platinum Card	16.25%
Pentagon FCU Visa Platinum Reward	17.99%
Digital Federal Credit Union DCU Rewards Visa Card	18.00%
First Command Bank Platinum Visa Card	18.00%
Navy Federal Credit Union MasterCard goRewards	18.00%
Everbank Visa Platinum	21.00%
Discover Miles	21.24%
Discover More Platinum	21.24%
Discover Open Road	21.24%
Golden 1 FCU Platinum Visa Reward (Low Rate)	22.90%
Fifth Third Bank Cash Rewards Mastercard	24.99%
Fifth Third Bank Visa Signature Rewards	24.99%
Town North Bank TNB Platinum Mastercard	27.00%
American Express Blue	27.24%
American Express Clear	27.24%
American Express Platinum Delta SkyMiles	27.24%
HSBC Cash or Fly Rewards Mastercard	27.24%
HSBC Platinum Visa with Cash Back	27.24%
PNC Bank Everyday Rewards Visa (cash back)	28.99%
PNC Bank Visa Platinum (low rate)	28.99%
US Bank FlexPerks Select Rewards Visa	28.99%
US Bank Travel Rewards Visa Platinum	28.99%
US Bank Visa Platinum	28.99%
Capital One No Hassle Miles Reward	29.40%
Capital One Platinum Prestige	29.40%
Capital One Standard Platinum	29.40%
Citi AT&T Universal Savings Platinum	29.99%
Citi Diamond Preferred Rewards Card	29.99%
Citi Platinum Select Master Card	29.99%
Chase Sapphire	29.99%
Chase Slate	29.99%
Chase Freedom Card	29.99%

## Appendix 6 - Reasons why default rate may be imposed

<b>Issuer</b>	<b>Reasons that default rate may be imposed</b>
American Express	One or more late payment or bouncing a payment check.
Capital One Bank	One late payment
Chase	One late payment; going over credit limit or bouncing a payment check.
Citi	One late payment; going over credit limit or bouncing a payment check.
Digital Federal Credit Union	One late payment or going over the credit limit
Discover Bank	One late payment
Everbank	One late payment
Fifth Third Bank	One late payment; going over credit limit or bouncing a payment check.
First Command Bank	One late payment
Golden 1 FCU	One late payment; going over credit limit or bouncing a payment check.
HSBC	One late payment or going over the credit limit
Navy Federal Credit Union	One or more late payment
Pentagon FCU	One or more late payment
PNC Bank	One late payment or going over the credit limit
Simmons First National Bank	One or more late payment
Town North Bank	One late payment
US Bank	One late payment; going over credit limit or bouncing a payment check.

## Appendix 7 – Late fees

<b>Bank and Card Name</b>	<b>Late fees as of Dec 10, 2010</b>
American Express Blue	Up to \$35
American Express Clear	None
American Express Platinum Delta Skymiles	Up to \$35
Bank of America Accelerated Cash Rewards American Express Card	Up to \$35
Bank of America BankAmericard Cash Rewards Visa Signature	Up to \$35
Bank of America Power Rewards Visa Signature	Up to \$35



Bank of America Student Platinum Visa	Up to \$35
Bank of America Virgin Atlantic Black Card American Express Card	Up to \$35
Bank of America Virgin Atlantic White Card American Express Card	Up to \$35
Capital One No Hassle Miles Reward	Up to \$35
Capital One Platinum Prestige	Up to \$35
Capital One Standard Platinum	Up to \$35
Citi AT&T Universal Savings Platinum	Up to \$35
Citi Diamond Preferred Rewards Card	Up to \$35
Citi Platinum Select Master Card	Up to \$35
Digital Federal Credit Union DCU Rewards Visa Card	\$30
Discover Miles	Up to \$35
Discover More Platinum	Up to \$35
Discover Open Road	Up to \$35
Everbank Visa Platinum	Up to \$25
Fifth Third Bank Cash Rewards Mastercard	Up to \$35
Fifth Third Bank Visa Signature Rewards	Up to \$35
First Command Bank Platinum Visa Card	\$15.00 or 5% of each Minimum Payment
Golden 1 FCU Platinum Visa Reward (Low Rate)	Up to \$15
HSBC Cash or Fly Rewards Mastercard	Cannot determine current late fee
HSBC Platinum Visa with Cash Back	Cannot determine current late fee
Iberia Bank Visa Classic	\$35
Chase Sapphire	Up to \$35
Chase Slate	Up to \$35
Chase Freedom Card	Up to \$35
Navy Federal Credit Union MasterCard goRewards	Cannot determine current late fee
Pentagon FCU Visa Platinum Reward	\$10-\$25. Fee is tied to balance.
PNC Bank Everyday Rewards Visa (cash back)	Up to \$35
PNC Bank Visa Platinum (low rate)	Up to \$35
Simmons First National Bank Visa Platinum Card	An amount equal to past due payment or \$25.00, whichever is less.

Town North Bank TNB Platinum Mastercard	Cannot determine current late fee
US Bank FlexPerks Select Rewards Visa	Up to \$25
US Bank Travel Rewards Visa Platinum	Up to \$25
US Bank Visa Platinum	Up to \$25
Wells Fargo Cash Back Platinum Card	Up to \$35
Wells Fargo Visa Platinum	Up to \$35

### See Appendix 8 - Returned Payment Fees

<b>Bank and Card Name</b>	<b>Returned Payment Fee</b>
American Express Blue	Up to \$35
American Express Clear	None
American Express Platinum Delta Skymiles	Up to \$35
Bank of America Accelerated Cash Rewards American Express Card	Up to \$25
Bank of America BankAmericard Cash Rewards Visa Signature	Up to \$25
Bank of America Power Rewards Visa Signature	Up to \$25
Bank of America Student Platinum Visa	Up to \$25
Bank of America Virgin Atlantic Black Card American Express Card	Up to \$25
Bank of America Virgin Atlantic White Card American Express Card	Up to \$25
Capital One No Hassle Miles Reward	Up to \$35
Capital One Platinum Prestige	Up to \$35
Capital One Standard Platinum	Up to \$35
Citi AT&T Universal Savings Platinum	Up to \$35
Citi Diamond Preferred Rewards Card	Up to \$35
Citi Platinum Select Master Card	Up to \$35
Digital Federal Credit Union DCU Rewards Visa Card	Cannot determine
Discover Miles	Up to \$35
Discover More Platinum	Up to \$35
Discover Open Road	Up to \$35
Everbank Visa Platinum	\$25
Fifth Third Bank Cash Rewards	\$35

Mastercard	
Fifth Third Bank Visa Signature Rewards	\$35
First Command Bank Platinum Visa Card	\$20
Golden 1 FCU Platinum Visa Reward (Low Rate)	\$5.00
HSBC Cash or Fly Rewards Mastercard	\$35
HSBC Platinum Visa with Cash Back	\$35
Iberia Bank Visa Classic	Up to \$35
Chase Sapphire	Up to \$35
Chase Slate	Up to \$35
Chase Freedom Card	Up to \$35
Navy Federal Credit Union MasterCard goRewards	20
Pentagon FCU Visa Platinum Reward	Up to \$25
PNC Bank Everyday Rewards Visa (cash back)	\$35
PNC Bank Visa Platinum (low rate)	\$35
Simmons First National Bank Visa Platinum Card	Up to \$25
Town North Bank TNB Platinum Mastercard	\$35
US Bank FlexPerks Select Rewards Visa	Up to \$25
US Bank Travel Rewards Visa Platinum	Up to \$25
US Bank Visa Platinum	Up to \$25
Wells Fargo Cash Back Platinum Card	Up to \$35
Wells Fargo Visa Platinum	Up to \$35

## Appendix 9 – Foreign Transaction Fees by Issuer

Bank and Card Name	Foreign Transaction Fee
American Express	2.7% of each transaction after conversion to US dollars.
Bank of America (American Express cards)	American Express (1) converts charges made in foreign currencies to U.S. dollars using a rate selected on the business day prior to the day on which American Express processes the charges and (2) applies a 1% commission to the converted amount.
Bank of America	3% of the U.S. Dollar amount of each transaction. This fee will be in addition

	to any other applicable fee.
Capital One	None
Citi	3% of the purchase amount
Digital Federal Credit Union	2% conversion fee
Discover	2% of the U.S. dollar amount of each purchase made in a foreign currency
Everbank Visa Platinum	1% conversion fee
Fifth Third Bank	3% conversion fee
First Command Bank	1% conversion fee
Golden 1 FCU	1% conversion fee
HSBC	3% of the U.S. dollar amount on transactions made in a foreign currency, as of the transaction date.
Iberia Bank	2% conversion fee
Chase Sapphire	3% of each transaction in U.S. dollars.
Navy Federal Credit Union	1% of the transaction amount.
Pentagon FCU	2% conversion fee
PNC Bank	3% conversion fee
Simmons First National Bank	2% of the converted amount attributable to purchases (but not cash advances)
Town North Bank	3% of each transaction in U.S. dollars.
US Bank	2% conversion fee
Wells Fargo	3% conversion fee

## **Section 11 – ABOUT CONSUMER ACTION**

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Consumer Action is a nonprofit organization that has championed the rights of underrepresented consumers nationwide since 1971. Throughout its history, the organization has dedicated its resources to promoting financial literacy and advocating for consumer rights in both the media and before lawmakers to promote economic justice for all. With the resources and infrastructure to reach millions of consumers, Consumer Action is one of the most recognized, effective, and trusted consumer organizations in the nation.

**Financial Education.** To empower consumers to assert their rights in the marketplace, Consumer Action provides a range of education resources. The organization’s extensive library of free publications offers in-depth financial information, while its hotline provides non-legal advice and referrals. Consumer Action also publishes an unbiased Annual Credit Card Survey that exposes excessive prices and anti-consumer practices to help consumers make informed buying choices and elicit change from big business.

**Community Outreach.** With a special focus on serving low to moderate income and limited-English-speaking consumers, Consumer Action maintains strong ties to a national network of more than 8,000 community-based organizations. Outreach services include training and free mailings of financial education materials in many languages, including English, Spanish, Chinese, Korean, Vietnamese, and others. Consumer Action's rapidly expanding network is the largest and most diverse of its kind.

**Advocacy.** Consumer Action is deeply committed to ensuring that underrepresented consumers are represented in the national media and in front of lawmakers. The organization promotes pro-consumer policy, regulations, and legislation by taking positions on almost 200 bills per legislative session and testifying at least three times per year. Additionally, its diverse staff provides the media with expert commentary on key consumer issues supported by solid data and victim testimony.

*Consumer Action relies on the financial support of individuals like you. Join or donate on our website at <http://www.consumer-action.org/support>.*

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