

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

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

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 18 Section 1. Credit card rates; limitations.--

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

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

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

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

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

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

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

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

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