

Disclosures as a Tool for Consumers

Jeanne Hogarth

Federal Reserve Board, U.S.A.

The analysis and conclusions set forth in this presentation represent the work of the authors and do not indicate concurrence of the Federal Reserve Board, the Federal Reserve Banks, or their staff. Mention or display of a trademark, proprietary product, or firm in the presentation by the authors does not constitute an endorsement or criticism by the Federal Reserve System and does not imply approval to the exclusion of other suitable products or firms.

Market Changes

- Risk-based rate pricing
 - ◆ Subprime lending
- Rate adjustments
 - ◆ Penalty rates
 - ◆ Universal default
- Fees
- Balance calculation methods
 - ◆ Double-cycle billing
- Payment allocation

What's on Congress' mind?

- ◆ Subprime/predatory lending
- ◆ Credit card practices
- ◆ Strengthening consumer protection

So what does this mean for regulators?

- ◆ Increase access to financial information
- ◆ Design effective disclosures
 - ◆ Easy to understand
 - ◆ Useful for comparisons
 - ◆ Neutral
- ◆ Combination of layout and language
 - ◆ Plain language
 - ◆ Frame

Consumer testing

- ◆ Focus groups
- ◆ Formative testing
- ◆ Sets of individual interviews (cognitive interviews & usability testing)
- ◆ Quantitative validation



What do we want consumers to do?

◆ Bills

- ◆ Pay their bills on time
- ◆ Make more than the minimum payment
- ◆ Avoid avoidable fees -- become aware of fees they are paying (payments not for goods & services charged)
- ◆ Pay attention to changes

◆ Solicitations

- ◆ Compare offers
- ◆ Understand multiple interest rates
- ◆ Understand fee structure

Proposed bill format

XXX Bank Credit Card Account Statement
Account Number XXXX XXXX XXXX XXXX
February 21, 2007 to March 22, 2007

Summary of Account Activity

Previous Balance	\$535.07
Payments	-\$450.00
Other Credits	-\$13.45
Purchases	+\$529.57
Balance Transfers	+\$785.00
Cash Advances	+\$318.00
Past Due Amount	+\$0.00
Fees Charged	+\$69.45
Interest Charged	+\$10.89
<hr/>	
New Balance	\$1,784.53
Credit limit	\$2,000.00
Available credit	\$215.47
Statement closing date	3/22/2007
Days in billing cycle	30

QUESTIONS?

Call Customer Service 1-XXX-XXX-XXXX
Lost or Stolen Credit Card 1-XXX-XXX-XXXX

Payment Information

New Balance	\$1,784.53
Minimum Payment Due	\$40.00
Payment Due Date	4/20/07 (before 2:00 pm)

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

Notice about Minimum Payments: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay this balance. For an estimate of the time it would take to repay your actual balance making only minimum payments, call 1-800-XXX-XXXX.

Please send billing inquiries and correspondence to:
PO Box XXXX, Anytown, Anystate XXXXX

Important Changes to Your Account Terms

The following is a summary of changes that are being made to your account terms. You have the right to opt out of these changes. For more detailed information, please refer to the booklet enclosed with this statement. The effective date of these changes is 5/10/07. Note: The change to your APR for purchases described below will not go into effect at this time if you are already being charged a higher Penalty APR on purchases. This change will go into effect when the Penalty APR no longer applies.

Revised Terms as of 5/10/07

Proposed bill format

XXX Bank Credit Card Account Statement
Account Number XXXX XXXX XXXX XXXX
February 21, 2007 to March 22, 2007

Summary of Account Activity

Previous Balance	\$535.07
Payments	-\$450.00
Other Credits	-\$13.45
Purchases	+\$529.57
Balance Transfers	+\$785.00
Cash Advances	+\$318.00
Past Due Amount	+\$0.00
Fees Charged	+\$69.45
Interest Charged	+\$10.89
<hr/>	
New Balance	\$1,784.53
Credit limit	\$2,000.00
Available credit	\$215.47
Statement closing date	3/22/2007
Days in billing cycle	30

QUESTIONS?

Call Customer Service 1-XXX-XXX-XXXX
Lost or Stolen Credit Card 1-XXX-XXX-XXXX

Payment Information

New Balance	\$1,784.53
Minimum Payment Due	\$48.00
Payment Due Date	4/20/07 (before 2:00 pm)

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

Notice about Minimum Payments: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay this balance. For an estimate of the time it would take to repay your actual balance making only minimum payments, call 1-800-XXX-XXXX.

Please send billing inquiries and correspondence to:
PO Box XXXX, Anytown, Anystate XXXXX

Important Changes to Your Account Terms

The following is a summary of changes that are being made to your account terms. You have the right to opt out of these changes. For more detailed information, please refer to the booklet enclosed with this statement. The effective date of these changes is 5/10/07. Note: The change to your APR for purchases described below will not go into effect at this time if you are already being charged a higher Penalty APR on purchases. This change will go into effect when the Penalty APR no longer applies.

Revised Terms as of 5/10/07

Proposed bill format

XXX Bank Credit Card Account Statement
Account Number XXXX XXXX XXXX XXXX
February 21, 2007 to March 22, 2007

Summary of Account Activity

Previous Balance	\$535.07
Payments	-\$450.00
Other Credits	-\$13.45
Purchases	+\$529.57
Balance Transfers	+\$785.00
Cash Advances	+\$318.00
Past Due Amount	+\$0.00
Fees Charged	+\$69.45
Interest Charged	+\$10.89
<hr/>	
New Balance	\$1,784.53
Credit Limit	\$2,000.00
Available credit	\$215.47
Statement closing date	3/22/2007
Days in billing cycle	30

Payment Information

New Balance	\$1,784.53
Minimum Payment Due	\$48.00
Payment Due Date	4/20/07 (before 2:00 pm)

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

Notice about Minimum Payments: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay this balance. For an estimate of the time it would take to repay your actual balance making only minimum payments, call 1-800-XXX-XXXX.

QUESTIONS?

Call Customer Service 1-XXX-XXX-XXXX
Lost or Stolen Credit Card 1-XXX-XXX-XXXX

Please send billing inquiries and correspondence to:
PO Box XXXX, Anytown, Anystate XXXXX

Important Changes to Your Account Terms

The following is a summary of changes that are being made to your account terms. You have the right to opt out of these changes. For more detailed information, please refer to the booklet enclosed with this statement. The effective date of these changes is 5/10/07. Note: The change to your APR for purchases described below will not go into effect at this time if you are already being charged a higher Penalty APR on purchases. This change will go into effect when the Penalty APR no longer applies.

Revised Terms as of 5/10/07

Proposed bill format

Transactions (cont.)				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
Purchases (cont.)				
2564561023184102315	2/28	3/1	Store #11	\$14.76
55542818705RASD0X	3/1	3/2	Store #12	\$3.76
289189194ASDS8744	3/1	3/3	Store #13	\$13.45
178105417841045784	3/2	3/6	Store #14	\$2.35
8456152156181SDSA	3/5	3/12	Store #15	\$25.00
31289105205648AWD	3/11	3/12	Store #16	\$7.34
04518478415615ASD	3/11	3/16	Store #17	\$10.56
0547810544898718AF	3/15	3/17	Store #18	\$24.50
056489413216848OP	3/16	3/17	Store #19	\$8.76
054894561564ASDW	3/17	3/18	Store #20	\$14.23
5648974891AD98156	3/19	3/20	Store #21	\$23.76
Cash Advances				
1542202074TWWZV48	2/26	2/26	Cash Advance	\$121.50
14547847586KDDL564	2/28	2/28	Cash Advance	\$196.50
Balance Transfers				
4545754784KOHUIOS	2/27	3/1	Balance Transfer	\$785.00
Fees				
9525156489SFD4545Q	2/23	2/23	Late Fee	\$35.00
56415615647OJSNDS	2/26	2/26	Cash Advance Fee *Transaction Fee*	\$5.00
84151564SADS8745H	2/27	2/27	Balance Transfer Fee *Transaction Fee*	\$23.55
256489156189451516L	2/28	2/28	Cash Advance Fee *Transaction Fee*	\$5.90
TOTAL FEES FOR THIS PERIOD				\$69.45
Interest Charged				
			Interest Charge on Purchases	\$6.31
			Interest Charge on Cash Advances	\$4.58
TOTAL INTEREST FOR THIS PERIOD				\$10.89

2007 Totals Year-to-Date	
Total fees charged in 2007	\$90.14
Total interest charged in 2007	\$18.27

Proposed bill format

Transactions (cont.)				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
Purchases (cont.)				
2564561023184102315	2/28	3/1	Store #11	\$14.76
55542818705RASD0X	3/1	3/2	Store #12	\$3.76
289189194ASDS8744	3/1	3/3	Store #13	\$13.45
178105417841045784	3/2	3/6	Store #14	\$2.35
8456152156181SDSA	3/5	3/12	Store #15	\$25.00
31289105205648AWD	3/11	3/12	Store #16	\$7.34
04518478415615ASD	3/11	3/16	Store #17	\$10.56
0547810544898718AF	3/15	3/17	Store #18	\$24.50
056489413216848OP	3/16	3/17	Store #19	\$8.76
054894561564ASDW	3/17	3/18	Store #20	\$14.23
5648974891AD98156	3/19	3/20	Store #21	\$23.76
Cash Advances				
1542202074TWWZV48	2/26	2/26	Cash Advance	\$121.50
14547847586KDDL564	2/28	2/28	Cash Advance	\$196.50
Balance Transfers				
4545754784KOHUIOS	2/27	3/1	Balance Transfer	\$785.00
Fees				
9525156489SFD4545Q	2/23	2/23	Late Fee	\$35.00
56415615647OJSNDS	2/26	2/26	Cash Advance Fee *Transaction Fee*	\$5.00
84151564SADS8745H	2/27	2/27	Balance Transfer Fee *Transaction Fee*	\$23.55
256489156189451516L	2/28	2/28	Cash Advance Fee *Transaction Fee*	\$5.90
TOTAL FEES FOR THIS PERIOD				\$69.45
Interest Charged				
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
TOTAL INTEREST FOR THIS PERIOD				\$10.89
2007 Totals Year-to-Date				
Total fees charged in 2007				\$90.14
Total interest charged in 2007				\$18.27

Proposed bill format

Transactions (cont.)

Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
Purchases (cont.)				
2564561023184102315	2/28	3/1	Store #11	\$14.76
55542818705RASD0X	3/1	3/2	Store #12	\$3.76
289189194ASDS8744	3/1	3/3	Store #13	\$13.45
178105417841045784	3/2	3/6	Store #14	\$2.35
8456152156181SDSA	3/5	3/12	Store #15	\$25.00
31289105205648AWD	3/11	3/12	Store #16	\$7.34
04518478415615ASD	3/11	3/16	Store #17	\$10.56
0547810544898718AF	3/15	3/17	Store #18	\$24.50
056489413216848OP	3/16	3/17	Store #19	\$8.76
054894561564ASDW	3/17	3/18	Store #20	\$14.23
5648974891AD98156	3/19	3/20	Store #21	\$23.76
Cash Advances				
1542202074TWWZV48	2/26	2/26	Cash Advance	\$121.50
14547847586KDDL564	2/28	2/28	Cash Advance	\$196.50
Balance Transfers				
4545754784KOHUIOS	2/27	3/1	Balance Transfer	\$785.00
Fees				
9525156489SFD4545Q	2/23	2/23	Late Fee	\$35.00
56415615647OJSNDS	2/26	2/26	Cash Advance Fee *Transaction Fee*	\$5.00
84151564SADS8745H	2/27	2/27	Balance Transfer Fee *Transaction Fee*	\$23.55
256489156189451516L	2/28	2/28	Cash Advance Fee *Transaction Fee*	\$5.90
TOTAL FEES FOR THIS PERIOD				\$69.45
Interest Charged				
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
TOTAL INTEREST FOR THIS PERIOD				\$10.89

2007 Totals Year-to-Date

Total fees charged in 2007	\$90.14
Total interest charged in 2007	\$18.27

Proposed bill format

Summary of Account Activity

Previous Balance	\$535.07
Payments	-\$450.00
Other Credits	-\$13.45
Purchases	+\$529.57
Balance Transfers	+\$785.00
Cash Advances	+\$318.00
Past Due Amount	+\$0.00
Fees Charged	+\$69.45
Interest Charged	+\$10.89
<hr/>	
New Balance	\$1,784.53
Credit limit	\$2,000.00
Available credit	\$215.47
Statement closing date	3/22/2007
Days in billing cycle	30

Payment Information

New Balance	\$1,784.53
Minimum Payment Due	\$48.00
Payment Due Date	4/20/07 (before 2:00 pm)

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

Notice about Minimum Payments: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay this balance. For an estimate of the time it would take to repay your actual balance making only minimum payments, call 1-800-XXX-XXXX.

QUESTIONS?

Call Customer Service 1-XXX-XXX-XXXX
Lost or Stolen Credit Card 1-XXX-XXX-XXXX

Please send billing inquiries and correspondence to:
PO Box XXXX, Anytown, Anystate XXXXX

Important Changes to Your Account Terms

The following is a summary of changes that are being made to your account terms. You have the right to opt out of these changes. For more detailed information, please refer to the booklet enclosed with this statement. The effective date of these changes is 5/10/07. Note: The change to your APR for purchases described below will not go into effect at this time if you are already being charged a higher Penalty APR on purchases. This change will go into effect when the Penalty APR no longer applies.

Revised Terms, as of 5/10/07	
APR for Purchases	16.99%
Late Payment Fee	\$32 if your balance is less than or equal to \$1,000; \$39 if your balance is more than \$1,000

Proposed solicitation

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99% to 19.99% when you open your account, based on your creditworthiness. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% (Intro. APR through your December 2007 billing cycle) 15.99% (APR after December 2007) Balance transfer fees will also apply (see Fees section below). Notice Regarding Interest Charges: Your introductory APR applies only to balance transfers, not to purchases. During the introductory period we will apply your payments to transferred balances before we apply them to any purchases you make. You will be charged interest on all purchases until your entire balance has been paid off completely, including transferred balances.
APR for Cash Advances	21.99% This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply (see Fees section below).
Penalty APR and When it Applies	28.99% This APR may be applied to the entire balance on your account if you: 1) Make a late payment twice in a six-month period; 2) Go over your credit limit twice in a six-month period; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us. How Long Will the Penalty APR Apply?: If your APRs are increased for any of these reasons, the Penalty APR will apply until you make six consecutive minimum payments when due and do not exceed your credit limit during that time period.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$1.00.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at http://www.frb.gov/location .

Fees	
Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> Balance Transfer: Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100). Cash Advance: Either \$5 or 3% of the amount of each cash advance, whichever is greater.
Penalty Fees	<ul style="list-style-type: none"> Late Payment: \$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.) Over-the-Credit Limit: \$29 (Your APRs may also increase; see Penalty APR section above.) Returned Payment: \$35 (Your APRs may also increase; see Penalty APR section above.)
Other Fees	<ul style="list-style-type: none"> Required Account Protector Plan: \$0.79 per \$100 of balance at the end of each statement period. See back for details.

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)."

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99% to 19.99% when you open your account, based on your creditworthiness. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% (Intro. APR through your December 2007 billing cycle) 15.99% (APR after December 2007) Balance transfer fees will also apply (see Fees section below). Notice Regarding Interest Charges: Your introductory APR applies only to balance transfers, not to purchases. During the introductory period we will apply your payments to transferred balances before we apply them to any purchases you make. You will be charged interest on all purchases until your entire balance has been paid off completely, including transferred balances.
APR for Cash Advances	21.99% This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply (see Fees section below).
Penalty APR and When it Applies	28.99% This APR may be applied to the entire balance on your account if you: 1) Make a late payment twice in a six-month period; 2) Go over your credit limit twice in a six-month period; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us. How Long Will the Penalty APR Apply?: If your APRs are increased for any of these reasons, the Penalty APR will apply until you make six consecutive minimum payments when due and do not exceed your credit limit during that time period.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$1.00.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at http://www.frb.gov/location .

Fees	
Annual Fee	None
Transaction Fees	
• Balance Transfer	Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100).
• Cash Advance	Either \$5 or 3% of the amount of each cash advance, whichever is greater.
Penalty Fees	
• Late Payment	\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.)
• Over-the-Credit Limit	\$29 (Your APRs may also increase; see Penalty APR section above.)
• Returned Payment	\$35 (Your APRs may also increase; see Penalty APR section above.)
Other Fees	
• Required Account Protector Plan	\$0.79 per \$100 of balance at the end of each statement period. See back for details.

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)."

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99%, 12.99%, or 19.99% when you open your account, based on your creditworthiness. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% (Intro. APR through your December 2007 billing cycle) 15.99% (APR after December 2007) Balance transfer fees will also apply (see Fees section below). Notice Regarding Interest Charges: Your introductory APR applies only to balance transfers, not to purchases. During the introductory period we will apply your payments to transferred balances before we apply them to any purchases you make. You will be charged interest on all purchases until your entire balance has been paid off completely, including transferred balances.
APR for Cash Advances	21.99% This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply (see Fees section below).
Penalty APR and When it Applies	28.99% This APR may be applied to the entire balance on your account if you: 1) Make a late payment; 2) Go over your credit limit; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us. How Long Will the Penalty APR Apply?: If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$0.50.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at http://www.frb.gov/location .

Fees	
Set-up and Maintenance Fees	NOTICE: Some of these set-up and maintenance fees will be assessed before you begin using your card and will reduce the amount of credit you initially have available. For example, if you are assigned the minimum credit limit of \$250, your initial available credit will be only \$68 (or \$63 if you choose to have an additional card).
• Annual Fee	\$60
• Account Set-up Fee	\$30 (one-time fee)
• Program Fee	\$85 (one-time fee)
• Participation Fee	\$84 annually (\$7 per month)
• Additional Card Fee	\$15 annually (if applicable)
• Account Maintenance Fee on Closed Accounts	\$60 annually (\$5 per month on closed accounts with an outstanding balance of \$30 or more)
Transaction Fees	
• Balance Transfer	Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100).
• Cash Advance	Either \$5 or 3% of the amount of each cash advance, whichever is greater.
Penalty Fees	
• Late Payment	\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.)
• Over-the-Credit Limit	\$29 (Your APRs may also increase; see Penalty APR section above.)
• Returned Payment	\$35 (Your APRs may also increase; see Penalty APR section above.)

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)."

Proposed solicitation format

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99%, 12.99%, or 19.99% when you open your account, based on your creditworthiness. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% (Intro. APR through your December 2007 billing cycle) 15.99% (APR after December 2007) Balance transfer fees will also apply (see Fees section below). Notice Regarding Interest Charges: Your introductory APR applies only to balance transfers, not to purchases. During the introductory period we will apply your payments to transferred balances before we apply them to any purchases you make. You will be charged interest on all purchases until your entire balance has been paid off completely, including transferred balances.
APR for Cash Advances	21.99% This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply (see Fees section below).
Penalty APR and When it Applies	28.99% This APR may be applied to the entire balance on your account if you: <ol style="list-style-type: none">1) Make a late payment;2) Go over your credit limit;3) Make a payment that is returned; or4) Do any of the above on another account that you have with us. How Long Will the Penalty APR Apply?: If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$0.50

Proposed solicitation format

Fees	
<p>Set-up and Maintenance Fees</p> <ul style="list-style-type: none"> • Annual Fee • Account Set-up Fee • Program Fee • Participation Fee • Additional Card Fee • Account Maintenance Fee on Closed Accounts 	<p>NOTICE: Some of these set-up and maintenance fees will be assessed before you begin using your card and will reduce the amount of credit you initially have available. For example, if you are assigned the minimum credit limit of \$250, your initial available credit will be only \$68 (or \$53 if you choose to have an additional card).</p> <p>\$60</p> <p>\$30 (one-time fee)</p> <p>\$85 (one-time fee)</p> <p>\$84 annually (\$7 per month)</p> <p>\$15 annually (if applicable)</p> <p>\$60 annually (\$5 per month on closed accounts with an outstanding balance of \$30 or more)</p>
<p>Transaction Fees</p> <ul style="list-style-type: none"> • Balance Transfer • Cash Advance 	<p>Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100).</p> <p>Either \$5 or 3% of the amount of each cash advance, whichever is greater.</p>
<p>Penalty Fees</p> <ul style="list-style-type: none"> • Late Payment • Over-the-Credit Limit • Returned Payment 	<p>\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.)</p> <p>\$29 (Your APRs may also increase; see Penalty APR section above.)</p> <p>\$35 (Your APRs may also increase; see Penalty APR section above.)</p>

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)."

Proposed solicitation format

Fees	
<p>Set-up and Maintenance Fees</p> <ul style="list-style-type: none"> • Annual Fee • Account Set-up Fee • Program Fee • Participation Fee • Additional Card Fee • Account Maintenance Fee on Closed Accounts 	<p>NOTICE: Some of these set-up and maintenance fees will be assessed before you begin using your card and will reduce the amount of credit you initially have available. For example, if you are assigned the minimum credit limit of \$250, your initial available credit will be only \$68 (or \$53 if you choose to have an additional card).</p> <ul style="list-style-type: none"> • Annual Fee \$60 • Account Set-up Fee \$30 (one-time fee) • Program Fee \$85 (one-time fee) • Participation Fee \$84 annually (\$7 per month) • Additional Card Fee \$15 annually (if applicable) • Account Maintenance Fee on Closed Accounts \$60 annually (\$5 per month on closed accounts with an outstanding balance of \$30 or more)
<p>Transaction Fees</p> <ul style="list-style-type: none"> • Balance Transfer • Cash Advance 	<p>Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100).</p> <p>Either \$5 or 3% of the amount of each cash advance, whichever is greater.</p>
<p>Penalty Fees</p> <ul style="list-style-type: none"> • Late Payment • Over-the-Credit Limit • Returned Payment 	<p>\$29 if balance is less than or equal to \$1,000, \$35 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.)</p> <p>\$29 (Your APRs may also increase; see Penalty APR section above.)</p> <p>\$35 (Your APRs may also increase; see Penalty APR section above.)</p>

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)."

Proposed solicitation format

Penalty APR and When it Applies	28.99% This APR may be applied to the entire balance on your account if you: <ol style="list-style-type: none"> 1) Make a late payment twice in a six-month period; 2) Go over your credit limit twice in a six-month period; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us. <p>How Long Will the Penalty APR Apply?: If your APRs are increased for any of these reasons, the Penalty APR will apply until you make six consecutive minimum payments when due and do not exceed your credit limit during that time period.</p>
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$1.00.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at http://www.frb.gov/location .

Fees	
Annual Fee	None
Transaction Fees <ul style="list-style-type: none"> • Balance Transfer • Cash Advance 	Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100). Either \$5 or 3% of the amount of each cash advance, whichever is greater.
Penalty Fees <ul style="list-style-type: none"> • Late Payment 	\$29 if balance is less than or equal to \$1,000;

Disclosures as a tool

Not all problems can be solved by disclosures



Tool vs Tool Box

- ◆ Disclosures are only one tool
 - ◆ Can we create a standard “label”?
- ◆ Also need
 - ◆ Education
 - ◆ Access to counseling, coaching, and advice
 - ◆ Policy/regulation



How big of a tool box?



What kind and how many tools do you need?

- ◆ Different audiences
- ◆ Different topics
- ◆ Different stages of behavior
- ◆ Different learning styles

