



## **Inquiry into the National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill 2011**

The House of Representatives Economics Committee will inquire into and report on the *National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill 2011*.

The provisions contained within Part 3-2A introduce a requirement for lenders to provide a Key Facts Sheet for standard home loans.

The provisions contained within Part 3-2B:

- restrict approval of the use of credit cards above the credit limit;
- specify an allocation hierarchy for payments made under credit card contracts;
- restrict credit providers from making unsolicited invitations to borrowers to increase the credit limit of their credit card; and
- introduce a requirement for lenders to provide a Key Facts Sheet for credit card contracts.

The Explanatory Memorandum to the Bill states that 'these reforms will assist consumers by increasing their capacity to select products or use their credit cards in a way that reduces the level of fees and interest they are charged; and reducing the risk of consumers being provided with credit cards limits where they may be unable to pay the total balance within a relatively short period of time.'

The Chair of the Committee, Craig Thomson, said that the committee will examine the adequacy of the bills in achieving the policy objective and where possible identify any unintended consequences.

The committee will conduct a public hearing on Wednesday, 25 May 2011 in Canberra. More information about this hearing will be circulated before the hearing.

Interested persons and organisations are invited to make **submissions to the inquiry by Friday, 20 May 2011**.

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