



Public hearing into consumer credit bill

The House Economics Committee will hold its public hearing into the National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill 2011 on Wednesday, 25 May. The bill implements Government commitments made during the last election and in December 2010.

Measures in the bill include:

- prohibiting lenders sending unsolicited invitations to borrowers to increase their credit limit
- prohibiting lenders charging fees to customers who go over their credit limit, unless they have expressly asked for this service
- requiring lenders to warn consumers on their monthly credit statements of the increased financial costs of only making minimum payments
- introducing a standardised, one-page fact sheet for consumers to compare loans.

The bill seeks to protect consumers by helping them select loans or use credit cards in a way that reduces their fees and interest. It also seeks to reduce the risk of consumers being provided with credit card limits where they may be unable to repay the balance quickly and be exposed to prolonged interest payments. The retail finance sector is expected to face greater costs through developing new systems and increased record keeping.

The Chair, Mr Craig Thomson MP, said, 'I have seen the damage caused to families who cannot manage their borrowings effectively. Consumers will be better off if they have more useful information when they decide to borrow and this is the aim of the bill. The inquiry will assess whether the Government has struck the right balance in its proposals'.

Program – Wednesday 25 May, Committee Room 1S5, Parliament House, Canberra

9.15 am	Treasury
10.15 am	<i>Interval</i>
10.30 am	Australian Bankers' Association (teleconference)
11.15 am	Consumer Action Law Centre, Consumer Credit Legal Centre, Wesley Mission (all by teleconference) and National Legal Aid
12 pm	Abacus (representing the mutual sector), Visa and Australian Finance Conference
1 pm	Finance Sector Union of Australia (teleconference)
1.30 pm	<i>Adjournment</i>

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