Front page of today's *Indianapolis Star* has a story worth reading about the new credit card law:

*The new credit card law is receiving widespread kudos as a victory for cardholders over the lenders that impose "gotcha" fees and penalties with scant justification and little notice.*

*Indeed, an industry that has been virtually unregulated now will be reined in many ways, to customers' benefit. Interest rates no longer will be allowed to be raised retroactively if you pay your bills. Confusing terms in the fine print will no longer be allowed. Terms will be clearer, over-the-limit fees curtailed and rates fairer.*
*Advertisement*

*Still, there are pitfalls to the legislation passed by both houses of Congress and signed into law by President Barack Obama on Friday, and consumers are likely to feel the effects.*

Some of the things the article points out were some of the same **reasons Congressman Pence opposed this bill** :

*» **HIGHER RATES**: Issuers are considered certain to bump up annual percentage rates soon to compensate for the fact they can't increase them on new customers for one year after the regulations take effect in late February. Not only are introductory rates likely to rise, APRs on existing accounts might go up, too, especially if you do anything to show that you are a greater credit risk.*
*If you are late on a payment, exceed your credit limit or use too much of your limit, you could see an immediate increase in your rate, according to Bill Hardekopf, CEO of LowCards.com, which tracks credit card offers. He recommends consumers pay their bills early, send in more than the minimum and not use more than a third of their credit limit.*

*Even that might not save them. The law does not put a cap on the interest rate that can be charged. Issuers still will have the ability to raise rates at any time for any reason, although that won't apply to existing balances unless a customer is 60 days overdue with a payment.*

*The banking industry itself hints at the possibility of across-the-board rate hikes. "The business model has changed," said Peter Garuccio, a spokesman for the American Bankers Association. "With that there will be ramifications, some not so good for the consumer."*

*» **TIGHTER CREDIT**: Consumers with lower credit scores will find it harder to persuade card issuers to give them credit because of the new rules. Even those with respectable credit histories might have difficulty getting approved for new cards or find their credit limits lower than in the past. That means more people might resort to payday lenders and pawn shops, said Greg McBride, senior analyst with Bankrate.com.*

Read the rest of the article **HERE** .

Congressman Pence's op-ed on why he opposed the bill is running in today's *Richmond Palladium-Item* and can be accessed **HERE** .

*As a father to three teenagers, I share the concerns of many that too often it is the young and uninformed who are deceived or misled about the requirements and potential of credit, and I am acutely aware that certain reforms are needed in our credit card industry.*

*However, while I am sympathetic to the intent of this legislation, introducing extensive federal mandates on the intricate details of private-market transactions is policy fraught with concerns. I believe the overall impact of this bill would hinder this economy's capacity to recover, hurting the very people it purports to help, and assisting those who were reckless to the detriment of those who were responsible.*