SENATE BILL NO. 302–SENATOR TITUS

MARCH 15, 2007

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing credit cards. (BDR 8-1173)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to credit cards; prohibits an issuer of a credit card from increasing the interest rate charged to the cardholder based upon a late payment by the cardholder to another creditor; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law governs issuers of credit cards. (Chapter 97A of NRS) This bill prohibits an issuer from increasing the interest rate charged to a cardholder based upon the late payment by the cardholder to another issuer or creditor of the cardholder. This bill also prohibits an issuer from including in a contract or agreement relating to a credit card account a provision which would allow the issuer to increase the interest rate for such a reason.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 97A of NRS is hereby amended by adding thereto a new section to read as follows:

1. An issuer shall not:

(a) Increase the interest rate charged to a cardholder based upon the late payment by the cardholder to another issuer or creditor of the cardholder; or

(b) Include a universal default clause in a contract or agreement relating to a credit card account.

2. As used in this section, "universal default clause" means any clause or provision which allows an issuer to increase the

interest rate charged to a cardholder based upon the late payment by the cardholder to another issuer or creditor of the cardholder.