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*Testimony by Representative Themis Klarides
Before the Judiciary Committee
On Senate Bill 6070
March 26, 2007*

Good afternoon Chairman McDonald, Chairman Lawlor, Representative O'Neill, Senator Kissel, and members of the Judiciary Committee. I am Representative Themis Klarides, representing the 114th District. I am here today to speak on HB 6070.

HB 6070 would prohibit the recovery in a civil action of any late fee or similar charge imposed pursuant to a consumer credit transaction where the amount of such late fee or charge exceeds the amount of principal and interest owed by the consumer. The practice of charging excessive late fees has been well documented by the Government Accountability Office, Congress' investigative arm. It found that late fees have increased considerably since the mid 1990's. Many Americans rely on credit transactions to pay for many daily goods and services.

There are an estimated 690 million cards in Americans' wallets and more than \$1.8 trillion charged on them in 2005¹. Consumer protection groups have continually cited credit card fees as excessive. Unfair or confusing credit policies take advantage of working families. The spotlight on unfair credit late fees has been highlighted and this bill is a first attempt to correct that.

Thank you for the hearing on HB 6070 and I wish to express my support of the bill and the committee's favorable action.

Sincerely,

A handwritten signature in black ink that reads "Themis".

Rep. Themis Klarides

¹ "Study: Credit card late fees much higher", *Boston Globe*, October 11, 2006