

ASSEMBLY RESOLUTION No. 195

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

SYNOPSIS

Urges Congress and US President to pass and sign legislation that would create credit card interest holiday.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ASSEMBLY RESOLUTION** urging the Congress and President of
2 the United States to pass and sign legislation that would create a
3 credit card interest holiday.

4
5 **WHEREAS**, Nearly three-quarters of United States citizens have credit
6 cards; and

7 **WHEREAS**, Nearly half of all United States citizens who carry credit
8 cards have an average credit card debt of approximately \$7,000; and

9 **WHEREAS**, Credit card interest rates have continued to increase over
10 recent years, hitting a 25-year high in 2019; and

11 **WHEREAS**, Credit card debt leads to average annual payments of over
12 \$1,000 in credit card interest; and

13 **WHEREAS**, Past actions taken by the federal government, such as the
14 passage of both the “Credit CARD Act of 2009” (Pub.L.111-24), and
15 the “Bankruptcy Abuse Prevention and Consumer Protection Act of
16 2005”(Pub.L.109-8) have been insufficient in either curbing the
17 ever-increasing growth in credit card debt or protecting consumers;
18 and

19 **WHEREAS**, Many Americans use credit cards due to limited cash flow
20 and need credit cards to afford necessary monthly expenses including
21 rent, utilities, and medical bills; and

22 **WHEREAS**, Recent global events, such as the COVID-19 pandemic,
23 have had and will continue to have, a dramatic effect on American
24 credit card debt, especially since most credit card debt is due to
25 medical bills; and

26 **WHEREAS**, Credit card debt continues to accumulate, with Americans
27 owing a record high of nearly \$1 trillion in credit card debt; and

28 **WHEREAS**, New Jersey has the second highest average credit card debt
29 per capita in the country; and

30 **WHEREAS**, Federal aid in eliminating or substantially decreasing credit
31 card debt would help the economy as it would allow consumers’
32 increased ability to finance new purchases and increase their
33 spending ability; and

34 **WHEREAS**, Federal action is needed to curb the ever-increasing credit
35 card debt and a credit card interest holiday would greatly help both
36 the United States economy and its citizens; now, therefore,

37
38 **BE IT RESOLVED** by the General Assembly of the State of New
39 *Jersey:*

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41 1. This House urges the Congress and President of the United
42 States to pass and sign legislation that would create a credit card
43 interest holiday.

44
45 2. Copies of this resolution, as filed with the Secretary of State,
46 shall be transmitted by the Clerk of the General Assembly to the
47 offices of the Congress and President of the United States.

STATEMENT

This resolution urges the Congress and President of the United States to pass and sign legislation that would create a credit card interest holiday.

The vast majority of Americans have credit cards, with nearly half of credit card holders having some amount of credit card debt. Adding to this problem, credit card interest rates have continued to increase over recent years and reached a 25 year high in 2019. On average each United States household with a credit card carries approximately \$7,000 in credit card debt and pays approximately \$1,000 annually solely in credit card interest. Many Americans either choose to use or are forced to use credit cards due to limited cash flow and need credit cards to make ends meet on a month-to-month.

While the federal government has taken steps in the past to attempt to stymie the increase in consumer credit card debt, these actions, such as the “Credit CARD Act of 2009” and the “Bankruptcy Abuse Prevention and Consumer Protection Act of 2005”, have been insufficient in curbing the ever-increasing growth in credit card debt. The “Credit CARD Act of 2009” focused on curtailing deceptive and abusive practices by credit card issuers, while the “Bankruptcy Abuse Prevention and Consumer Protection Act of 2005” was ultimately more beneficial to credit card companies and not credit card holders.

Credit card debt continues to accumulate, with Americans owing a record high of nearly \$1 trillion in credit card debt. Recent global events, such as the COVID-19 pandemic, have had and will continue to have, a dramatic effect on American credit card debt. New Jersey citizens, like citizens of every other state, struggle with credit card debt. The State has the second highest average credit card debt per capita in the country. Federal aid in eliminating or substantially decreasing credit card debt would help the economy as it would allow consumers’ increased ability to finance new purchases and increase their spending ability. Federal action, therefore, is needed to curb the ever-increasing credit card debt and a credit card interest holiday would greatly help the US population.