



1700 N. Moore Street, Suite 2250, Arlington, VA 22209
Phone: 703-841-2300 Fax: 703-841-1184
Email: info@retail-leaders.org www.retail-leaders.org

September 9, 2009

The Honorable Christopher J. Dodd, Chairman
Senate Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Dodd:

Thank you for your commitment to protecting consumers from arbitrary and unfair fees imposed by credit-card companies. Our member companies value above all else the relationships they build with their customers, and retailers understand fully the pressure that American families face today. Economic uncertainty has challenged households across America, forcing them to make tough decisions. Unfortunately, while retailers and other industries have responded to these changes with products and services that reflect the current economic climate, credit-card companies continue to increase fees and interest rates, further burdening consumers.

By way of background, the Retail Industry Leaders Association (RILA) is the trade association of the world's largest and most innovative retail companies. RILA promotes consumer choice and economic freedom through public policy and industry operational excellence. Its members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs and operate more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad.

Passage of the Credit Card Accountability, Responsibility, and Disclosure (CARD) Act of 2009 earlier this year was a welcome step to protecting consumers from unjustified fee and rate hikes and other unfair changes to contract terms. However, as your July 9, 2009, letter to federal regulators suggested, some credit-card companies may be attempting to skirt the law by imposing rate changes in advance of the new law's effective date of February 22, 2010.

As credit card issuers unilaterally increase annual percentage rates and impose new fees on cardholders, the important relationship between retailers and their customers stands to be harmed significantly. Too often, customers are unaware that retailers offering such credit cards do not control the fees and interest rates imposed and controlled solely by the banks.

Retailers have virtually no ability to force credit card issuers to keep cardholder rates and fees low. In light of these difficult circumstances, we respectfully request that you initiate a review of the actions taken by credit card issuers in response to the passage of the Credit CARD Act. In addition, we urge you to hold a hearing before the Senate Committee on Banking, Housing and Urban Development to examine these issues in an effort to ensure transparency and accountability for those whose actions unfairly burden consumers with added costs.

Thank you for your attention to this important matter. We stand ready to assist you and the Senate Banking Committee in your efforts to protect consumers against unfair credit practices.

Sincerely,

A handwritten signature in cursive script that reads "Sandra L. Kennedy". The signature is written in black ink and is positioned to the left of the typed name.

Sandra L. Kennedy
President