Consumer Federation of America
1620 I Street, N.W., Suite 200 * Washington, DC 20006

FOR IMMEDIATE RELEASE:
December 22, 2010

CONTACT:
Susan Weinstock: 202-387-6121
Jack Gillis: 202-737-0766
Travis Plunkett: 202-387-6121

2010 Was A Great Year for Consumers

--New Federal Protections will Increase Safety of Food, Products and Financial Services--

Washington, D.C.: The Consumer Federation of America today released a list of twelve top federal consumer protections put in place this year. These advances touch a wide variety of consumer products and services, including credit cards and other financial services, food safety, crib safety, and telemarketing sales.

"Congress and federal agencies put one landmark consumer protection after another on the books in 2010," said Travis Plunkett, CFA's Legislative Director. "Consumer groups will be working hard in 2011 to stop efforts by special interests and their friends in Congress to roll back these historic achievements."

1. **Consumer Financial Protection Bureau:** As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Congress enacted the Consumer Financial Protection Bureau to guard against unfair, deceptive, and abusive practices when consumers take out a loan, use a credit card, or get a mortgage. The Bureau will monitor the financial services market and write and enforce consumer protection rules. The CFPB is designed to eliminate the financial tricks and traps that have harmed so many Americans.

2. **Food Safety Standards:** Congress passed the most comprehensive reform of the Food and Drug Administration's (FDA) food safety authority in 70 years. The new law provides the FDA with the authority to proactively help prevent food from becoming contaminated. It requires food companies to develop preventive controls; empowers the FDA to set standards for safe production of fruits and vegetables; mandates mandatory minimum inspection periods for food processing plants; improves food traceability systems; puts in place programs to assure that imported foods are as safe as domestic foods; and provides the FDA with authority to mandate food recalls.

3. **Consumer Protection on the Broadband Internet:** The Federal Communications Commission adopted rules to restore Commission authority to protect consumers from discriminatory and misleading practices by cable and telephone companies that provide broadband Internet connections to the public. The order makes it illegal to block access to lawful content, applications, or services and guarantees consumers the right to use the

devices of their choosing to connect to the Internet. It establishes extensive transparency requirements so that consumers know exactly what they are paying for and establishes a procedure for quick resolution of consumer complaints.

4. **Credit Card Accountability, Responsibility and Disclosure (CARD) Act:** This law, which took effect in early 2010, provides consumers with a number of new protections. Creditors are prohibited from: increasing interest rates on old charges in most cases; charging unjustifiably high penalty fees; assessing over-limit fees unless consumers choose to exceed their credit limit; and assessing interest charges on purchases that have already been paid off. Companies also must provide at least 45-days notice before making significant changes to card terms, mail monthly bills at least three weeks before payment is due, and apply payments first to the highest interest rate balance that is owed.

5. **High-Cost Overdraft Loan Choice:** The Federal Reserve issued a rule prohibiting banks from charging hefty fees for overdrawing with a debit card unless consumers affirmatively agree to “opt-in” to these loans. The FDIC also prohibited banks it regulates from manipulating the order in which they process payments to increase overdraft fee income.

6. **Mortgages:** The Dodd-Frank Act establishes clear rules that protect consumers from predatory practices that lock consumers into unaffordable loans, like pre-payment penalties. The Act expands reporting requirements for banks under the Home Mortgage Disclosure Act to increase the transparency of home lending practices and requires lenders that securitize loans (other than stable, standard loans with good underwriting) to retain a portion of financial risk if they fail, realigning their interests with those of both consumers and investors.

7. **Investor Protections:** The Dodd-Frank Act authorizes the Securities and Exchange Commission (SEC) to require that brokers who offer investment advice have a “fiduciary duty” to act in the best interest of their clients. The Act would also create a powerful new advocate for investors within the SEC, eliminate or limit the use of pre-dispute binding arbitration clauses in brokerage and investment adviser contracts, improve disclosures, reform broker-dealer compensation practices, and strengthen SEC enforcement tools.

8. **For-Profit Debt Relief Services:** The Federal Trade Commission amended its Telemarketing Sales Rule to prohibit for-profit debt relief companies from charging consumers for payment until they have actually delivered the debt relief that has been promised. These companies also must provide clear information about how their services work.

9. **Refund Anticipation Loans (RALs):** Bank regulators cracked down this year on lenders that provide Refund Anticipation Loans, which are very high-cost loans based on the borrower’s expected tax refund. Now, only three very small banks remain in the RAL market. In addition, the Internal Revenue Service plans to discontinue providing its “debt indicator” service, which helps banks that partner with tax preparers to make these loans.

10. **Crib Standards:** The Consumer Product Safety Commission (CPSC) has approved the strongest crib safety standards in the world. Following recalls of millions of cribs that

caused entrapment deaths and injuries in recent years, the new standards will ensure that new cribs have been tested for safety to rigorous standards. They take effect in 2011.

11. **Consumer Product Safety Information Database:** The Consumer Product Safety Commission's new database will allow people to share and access safety information about the products they own and are considering buying. The database is a major step forward in educating consumers about product safety hazards. It will also improve the CPSC's ability to identify and act on problems. It will help shed light on the safety of products currently in the marketplace, and will enable the CPSC to more nimbly identify and act upon safety hazards.

12. **Financial Market Regulation:** The Dodd-Frank Act includes a strong package of reforms to close gaping holes in the financial regulatory structure and make our system safer. It will rein in reckless derivatives trading, and includes strong provisions on the key issues of moving the majority of clearable derivatives swaps into central clearing, requiring exchange trading, increasing capital and margin requirements, and other measures to improve the stability, transparency, and regulatory oversight of the derivatives market. It will also strengthen regulatory oversight of credit ratings agencies, increase rating agency accountability, and improve rating transparency.

13. **Fuel Economy/Greenhouse Gas Emission Standards:** In the spring, the California Air Resources Board (CARB), the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) worked out a deal to adopt California's greenhouse gas emission standards, increasing national fuel economy standards substantially, to 35 miles per gallon for passenger car model years 2012 through 2016, which will result in billions of dollars in consumer savings. In the fall, EPA/NHTSA proposed new fuel economy standards that could boost fuel economy to as high as 62 miles per gallon by 2025.