

# United States Senate

WASHINGTON, DC 20510

June 14, 2011

Honorable Ben Bernanke  
Chairman, Federal Reserve Board  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Dear Chairman Bernanke:

We are writing to express our concern about a growing problem in the business credit card industry. As you are well aware, consumer protections within the Truth in Lending Act and the Credit Card Accountability, Responsibility, and Disclosure Act do not govern credit cards issued for business purposes. According to a study released by the Pew Charitable Trusts last month, American households receive more than 10 million offers every month for business credit cards and the "majority of these cards have potentially harmful terms that would not be legal on those labeled for consumer use."

The study also found between January 2006 and December 2010, Americans received *over 2.6 billion business credit solicitations*, comprising over 9 percent of all direct mail marketing of credit cards to U.S. households. Alarming, more than 6.7 million of these solicitations go to seniors every month.

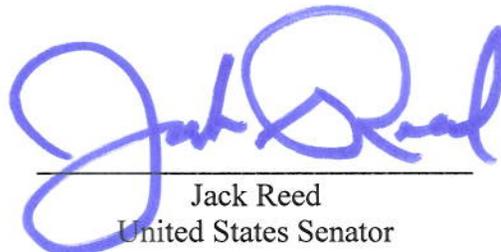
While we are encouraged some banks, such as Bank of America and Capital One, have taken voluntary steps to protect consumers, we are very concerned issuers are marketing these products to ordinary consumers who may not realize they do not offer the same protections as personal cards. We respectfully request that the Federal Reserve take immediate steps to protect consumers by requiring business credit card issuers, in connection with any solicitation, to (a) clearly identify in any solicitation materials that the card being offered is a business card, (b) clearly disclose that the card may not carry all the same protections as ordinary consumer cards, and (c) require applicants to provide a business tax identification number on the application.

Thank you for your consideration and we look forward to working with you on this matter. Feel free to contact us at your convenience if you have any further questions.

Sincerely,



Charles E. Schumer  
United States Senator



Jack Reed  
United States Senator



Bill Nelson  
United States Senator



Robert Menendez  
United States Senator