

**Table 1: Summary of Practices Examined**

<b>Practice</b>	<b>Description</b>	<b>Stopped by CARD Act?</b>	<b>Recent Trend</b>	<b>Consumer Knowledge</b>	<b>Economic Efficiency</b>
<b>Pick-a-Rate</b>	Change in formula for calculating variable interest rates results in rates that average 0.3% higher.	No	Prevalence up from a year ago.	Buried in fine print, difficult to understand, hard to estimate cost.	Inefficient—causes revenue to become out of synch with cost of funds.
<b>Variable Rate Floors</b>	Variable rates cannot go down from the starting rate for the account, but they can move up.	No	Prevalence up from a year ago.	Buried in fine print, difficult to understand, hard to estimate cost.	Inefficient—causes revenue to become out of synch with cost of funds.
<b>Minimum Finance Charges</b>	Consumers with only a penny in finance charges, get charged a minimum amount up to two dollars.	No	Up from a year ago. Some raised since Credit CARD Act.	Probably receives little consumer attention, easily ignored or forgotten.	Inefficient—unrelated to costs (at higher levels in particular).
<b>Compression of Balance Categories in Tiered Late Fees</b>	Applying highest late fee amounts to smaller balances results in 9 in 10 consumers paying the highest fee.	Not Explicitly	Balance categories for late fees are closer together (more tier compression) than a year ago.	Designed to add complexity to terms, and brings focus on lowest fee which is least common.	Inefficient—causes penalty to be less proportional to violation.
<b>Inactivity Fees</b>	Issuers charge consumers for not using or closing their account, with fees as high as \$36/year.	No	More common than a year ago. Some issuers added since Credit CARD Act.	Probably receives little consumer attention, easily ignored or forgotten.	Questionable efficiency—typically much larger than ongoing account management cost, but may reflect risk of loss.
<b>International Transaction Fees: Level Growth and Expanded Definition</b>	Issuers are increasing charges for transactions in a foreign currency, and expanding the definition of foreign transactions to include those in dollars.	No	Fee levels are up, and circumstances in which they apply are expanded since a year ago. Some growth since Credit CARD Act.	Probably receives little consumer attention, easily ignored or forgotten.	Inefficient—price does not reflect any cost. Expansion of fee is even harder to justify.
<b>Balance Transfer/Cash Advance Fees</b>	More issuers are charging a fee for these transactions, and the amount of the fee (as a percentage) is rising.	No	Higher than a year ago. Some issuers have raised since Credit CARD Act.	Consumers likely moderately aware of this, but may discount it when evaluating product cost.	Inefficient—high fees are unrelated to cost and risk is already accounted for through APR.
<b>Balance Transfer/Cash Advance Fee Floors/Ceilings</b>	Minimum cash advance and balance transfer fee amounts have increased, while maximum fee amounts have disappeared.	No	Some issuers have raised/added floors or removed ceilings since Credit CARD Act.	Adds a layer of complexity to fees, consumers likely often unaware of impact.	Inefficient—high floors reduce the correlation between revenues and costs.