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Fetterman, Colleagues Introduce Legislation to Cap Credit Card Late Fees at \$8

WASHINGTON, D.C. – Today, U.S. Senators John Fetterman (D-PA), Cory Booker (D-NJ), and Tammy Baldwin (D-WI) introduced the *Credit Card Fairness Act*, legislation that would put into statute the Consumer Financial Protection Bureau’s popular \$8 cap on credit card late fees.

Consumers currently pay \$14 billion per year in credit card late fees, which pads the profits of the biggest banks. The standard \$30 to \$41 late fee is up to five times higher than the cost for banks of collecting late payments, allowing banks to profit from customers who are struggling to make ends meet. The Consumer Financial Protection Bureau previously enacted a rule that capped these fees at \$8, which was stalled in litigation brought by the big banks. This legislation would codify the \$8 cap in law.

“Big banks profiteering off people by charging \$41 for a single late credit card payment is absolutely wrong,” **said Senator Fetterman**. “At a time when people are struggling to get by, these late fees are only doing more harm. This legislation will protect hardworking Americans from predatory fees, and I’ll work with anyone to get this over the finish line.”

“American consumers shouldn’t be hit with predatory late fees that are three to five times higher than the actual cost of collection,” **said Senator Booker**. “This legislation keeps money in the pockets of working families by putting a clear cap on credit card late fees and cracking down on banks that make billions of dollars of profit each year on the backs of their customers.”

“As costs continue to skyrocket under this administration – from groceries, to housing, to health care – Wisconsin families are already stretched thin. The last thing they need is big banks and credit card companies gouging them with credit card late fees that make it harder to stay afloat, let alone get ahead,” **said Senator Baldwin**. “Our bill will crack down on big banks, cap late fees at \$8, and give families a little breathing room.”

The *Credit Card Fairness Act* is endorsed by Americans for Financial Reform, the Consumer Federation of America, Groundwork Collaborative, the National Consumer Law Center (on behalf of its low-income clients), Public Citizen, and Protect Borrowers.

“Excessive credit card late fees bulk up profits for big banks while eating into already strained household budgets,” **said Ericka Taylor, Co-Executive Director of Americans for Financial Reform.** “This legislation would cap credit card late fees and make life a little more affordable.”

“Penalty fees shouldn’t be profit centers,” **said Adam Rust, Director of Financial Services for the Consumer Federation of America.** “Families shouldn’t have to choose between paying an exorbitant late fee or meeting their basic needs. The Credit Card Fairness Act sets a reasonable cap on credit card late fees, restoring a standard of fairness and affordability to the cost of consumer credit.”

“For too long, big banks have profited from families falling behind on credit card bills. The *Credit Card Fairness Act* would cap credit card late fees, putting an end to this abusive practice and keeping more money in people’s pockets,” **said Emily DiVito, Senior Advisor for Economy Policy, Groundwork Collaborative.**

“Banks earn billions of dollars in profits from late fees on families struggling with unaffordable credit card debt. This bill will save over \$200 a year on average for the more than 45 million people who are charged late fees,” **said Lauren Saunders, Associate Director and Director of Federal Advocacy at the National Consumer Law Center.**

“Public Citizen strongly supports Sen. Fetterman, Booker, and Baldwin’s legislation to reinstate the Consumer Financial Protection Bureau’s (CFPB) rule capping credit card late fees,” **said Craig Holman, Ph.D., of Public Citizen.** “This measure provides a critical protection against predatory practices that impose greater harm on low-income consumers and would save American families billions in unnecessary expenses.”

“American families are being crushed by an affordability crisis and millions are being pushed further into the red just to cover basic necessities like groceries, utilities, rent, and medication,” **said Aissa Canchola Bañez, Policy Director at Protect Borrowers.** “We applaud Senators Fetterman, Booker, and Baldwin for introducing legislation to cap credit card late fees at \$8 and call on all policymakers to support this effort immediately.”

“Credit cards should be basing profit on the economics of the business, not on the backs of people who are paying late fees,” **said Aaron Klein, Senior Fellow at the Brookings Institution.** “Credit cards that use late fees, paid by people already paying interest, to subsidize rewards for wealthy people who never carry a balance and get a month of interest free float is a regressive reverse Robin Hood that should be stopped.”

A summary of the bill text can be found [here \(https://www.fetterman.senate.gov/wp-content/uploads/2026/01/CREDIT-CARD-1.pdf\)](https://www.fetterman.senate.gov/wp-content/uploads/2026/01/CREDIT-CARD-1.pdf).

The full bill text can be found [here \(https://www.fetterman.senate.gov/wp-content/uploads/2026/01/LIP260991.pdf\)](https://www.fetterman.senate.gov/wp-content/uploads/2026/01/LIP260991.pdf).

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