

FRB is drafting rules to implement this section. Creditors should be aware that exercising the right to close or cancel an account by a consumer cannot be deemed to be an event of default and cannot trigger the imposition of any other penalty or fee. It also cannot trigger an immediate obligation to pay the outstanding balance in full or through a method that is less beneficial than either:

- (a) a five-year amortization period, beginning on the effective date of the increase; or
- (b) a required minimum periodic payment that includes a percentage of the outstanding balance equal to no more than twice the percentage required on the date on which the creditor was notified of the rejection.

3. *Time to Pay*: Section 106(b) of the Credit CARD Act amends TILA to prohibit a creditor from treating a payment on an open-end consumer credit plan as late for any purpose unless the creditor has adopted reasonable procedures designed to ensure periodic statements are mailed or delivered no later than 21 days before the payment due date.

Special rules for accounts with grace periods. If a creditor offers a grace period (a period within which consumers may repay an outstanding balance without incurring any additional finance charge), any additional finance charge(s) may not be imposed unless the creditor mails or delivers a statement reflecting the charge(s) at least 21 days before the payment is due to avoid that finance charge.

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