

Authored letter to U.S. Federal Reserve proposing changes to "ability to pay" regulations

WASHINGTON – Congresswoman Louise Slaughter (NY-28) today applauded an announcement by the Consumer Financial Protection Bureau (CFPB) that it planned to update existing regulations to make it easier for stay-at-home spouses or partners to qualify for credit cards. Under existing regulations, creditworthiness is determined by individual income, rather than household income. This factor can hamper access to credit cards for stay-at-home spouses without individual income, despite the fact that they have the ability to pay based upon household income. Slaughter authored a letter in January of 2011, along with Rep. Carolyn Maloney (D-NY), calling for a review of the relevant regulations and their impact on stay-at-home-moms. She has remained committed to this effort and has continually pushed for the updates announced by CFPB today.

"Stay-at-home moms perform an invaluable service to our families and our nation," said Slaughter. "Women control more than \$4 trillion in annual discretionary spending and make the majority of household spending decisions, yet a large segment of our population is hampered from establishing independent credit histories due to existing regulations. This is also crucial for women who are trapped in dangerous, abusive relationships who have far fewer options if they lack an independent credit history. I am pleased that the CFPB has heard our concerns and is acting upon them."

CFPB's proposed regulatory updates would allow credit card applicants who are 21 or older to rely on third-party income to which they have a reasonable expectation of access. Although the proposal applies to all applicants regardless of marital status, the Bureau expects that it will ease access to credit particularly for stay-at-home spouses or partners who have access to a working spouse or partner's income.