

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2662
ANSWERED ON:07.02.2014
NORMS FOR CREDIT CARDS
Dhruvanarayana Shri R.

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India/Public Sector Banks have tightened/propose to tighten the norms for credit card minimum dues; and

(b) if so, the details thereof and the reasons therefor?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) and (b) :- Reserve Bank of India (RBI), in its Master Circular dated 1st July 2013 on Credit Card, Debit Card and Rupee Denominated Co-branded Prepaid Card operations, has advised Banks that even where the minimum amount indicated to keep the card valid has been paid, it should be indicated in bold letters that the interest will be charged on the amount due after the due date of payment. It is also stated that these aspects may be shown in the Welcome Kit in addition to being shown in the monthly statement. A legend/notice to the effect that "Making only the minimum payment every month would result in the repayment stretching over years with consequent interest payment on the outstanding balance" should be prominently displayed in all the monthly statements so as to caution the customers about the pitfalls in paying only the minimum amount due.