

State of South Dakota

EIGHTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2010

427R0737

SENATE BILL NO. 190

Introduced by: Senators Dempster and Gillespie and Representatives Cutler, Engels, and Krebs

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the opt-out rights of
2 credit card customers.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 54-11-10 be amended to read as follows:

5 54-11-10. Upon written notice, a credit card issuer may change the terms of any credit card
6 agreement, if such right of amendment has been reserved, regardless of whether the card holder
7 can use the card for new purchases. However, the following changes to the credit card
8 agreement, effective as to existing balances, do not become binding on the parties if the card
9 holder, within twenty-five days of the effective date of the change, furnishes written notice to
10 the issuer, at the address designated by the issuer, that the card holder does not agree to abide
11 by such changes:

12 (1) Modifying the circumstances under which a finance charge will be imposed;

13 (2) Altering the method used to calculate finance charges; or

14 (3) Increasing finance charges, fees, and other costs; ~~or~~

15 ~~(4) Increasing the required minimum payment.~~



1 Any other change to the credit card agreement modifying the manner in which the issuer and
2 card holder resolve disputes arising out of their relationship do not become binding on the
3 parties if the card holder, within twenty-five days of the effective date of the change, furnishes
4 written notice to the issuer, at the address designated by the issuer, that the card holder does not
5 agree to abide by such changes.

6 Use of the card after the effective date of the change of terms is deemed to be an acceptance
7 of the new terms, even if the twenty-five-day period has not expired. Unless otherwise required
8 by 12 C.F.R. § 226, in effect on ~~January 1, 2005~~ February 22, 2010, a written change of terms
9 notice is not required if the proposed change in terms has been communicated by the issuer to
10 the card holder and the card holder agrees.