

# NEW YORK POST

## Trump suggests capping annual credit card interest rates at 10% — but critics fear ‘price controls’

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Throughout his 2024 campaign, former President Donald Trump has pledged dramatic reductions in taxes while championing a populist economic agenda. Stephen Yang for the New York Post

[Former President Donald Trump](#) floated limiting annual credit card [interest rates](#) to a maximum of 10% during a campaign stop on Long Island Wednesday night, prompting banking groups to push back against the plan as the Republican version of Democrat Kamala Harris' [widely panned "price controls."](#)

"While working Americans catch up, we're going to put a temporary cap on credit card interest rates," Trump told a [rowdy crowd of approximately 16,000 at the Nassau Coliseum](#) while outlining his economic plan. "We're going to cap it at around 10%. We can't let them make 25 and 30%."

The average credit card interest rate was 21.5% as of this past May, [according to](#) data provided by the Federal Reserve. Rates had surged starting in early 2022 amid red-hot inflation coming out of the COVID-19 pandemic.



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Donald Trump rolled out the proposal at his Long Island rally Wednesday. AFP via Getty Images

Credit card interest rates have never dipped to 10% in the Fed's dataset, which dates back to 1994.

But critics warned Trump's plan would most hurt those he professed to help.

“Government-imposed price controls on credit card interest rates would harm all cardholders, especially the lowest income Americans who these measures are intended to help,” an insider at the Consumer Bankers Association told The Post Thursday.

“This will result in credit cards only being given to consumers who have high income and credit scores who post little risk to card issuers.”



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Credit card interest payments have surged since the pandemic. Adobe Stock

Peter Schiff, the chief economist at Euro Pacific Asset Management argued that “Trump just proposed his own version of price controls.”

“That would destroy the industry and millions of Americans would lose their credit cards,” he added. “There are heavy losses in credit cards from people who don’t pay. So they need the high interest rates to offset that. There is also a lot of fraud.”

Trump and his allies had slammed Harris after she unveiled a plan to crack down on [so-called price gouging in the food industry last month](#).



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The former president has been no stranger to deviating from conservative orthodoxy on economics. Stephen Yang for the New York Post

The 45th president blasted her as a “Marxist” and suggested her proposal was “communist” in practice.

Back in 2019, several pols, including Sen. Bernie Sanders (I-Vt.) and Rep. Alexandria Ocasio-Cortez (D-NY) [backed a measure to cap credit card interest payments](#) at 15%.

“We have opposed similar interest rate cap proposals in the past,” said a spokesperson for the American Bankers Association, an industry group representing banks and their employees nationwide.

“They would result in the loss of credit for the very consumers who need it the most. Instead, these consumers would be forced to use less-regulated, more risky alternatives including payday lenders and loan sharks.”

The Trump campaign did not immediately respond to a request from The Post to clarify how it would bring about a credit card rate cap.

Ahead of the Long Island rally, Trump also pledged that he’d dramatically slash the price of car insurance.

“Your Automobile Insurance is up 73% — VOTE FOR TRUMP, I’LL CUT THAT NUMBER IN HALF!” he posted on X.

<https://x.com/realDonaldTrump/status/1836100511960818044>

On Wednesday, Federal Reserve Chairman Jerome Powell [announced the first major rate](#) cut since the onset of the COVID-19 pandemic.

As he previously hinted, Powell opted to go big and slash the Fed’s benchmark interest rate target by a whopping 50 basis points — half a percentage point — to a range between 4.75% and 5%, down from 5.25% to 5.50%.

The Fed’s benchmark target rate is closely watched because it can impact other key interest rates.