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**From:** Alan Denniston [mailto:alan.denniston@finalube.com]

**Sent:** Tuesday, May 13, 2008 10:06 AM

**To:** \_Regulatory Comments

**Subject:** regarding proposed credit card rules

Gentlemen:

I read in the Dallas Morning News about the proposed credit card rule changes (Reg AA-docket No. R-1314). I support your proposed changes to the industry and I see this doing more economic good than the stimulus package since it impacts those with both minor and major credit card debt.

I have expounded on my thoughts below if you have time to read them.

Regards,  
Alan Denniston  
Age 61

I have been both debt free as well as highly in debt (\$60,000 to \$100,000) to credit card companies. Currently I am debt free with excellent credit. I have paid off my credit cards without any discounting due to fortuitous circumstances which most debtors would not occur. I am also own business franchisee which accepts credit cards.

When credit card companies do compromise with consumers and write off credit card debt (cancellation of debt), this leads to unexpected income on the consumer's part which leads to an increase in tax burden due to cancellation of debt. Credit counselors and credit card companies do not advise consumers on this consequence when debt is forgiven.

I know that credit cards are essential in today's economy, but I think they are also part of today's problem. Changes in finance charge going from rates of 12-15% becoming 30% is a horrible situation and leads consumers to being unable to pay off debt, and to pay off one credit card with another credit card (which incurs other fees).

Credit card companies constantly hound consumers through mass mailing to get credit cards or move their debt to a new card. This is because it is a better profit center than traditional banking or traditional loans. It seems contradictory to good business sense that credit card solicitations are continually made to those with poor credit because they have high debt, but apparently transfer fees, late charges and high rates make this profitable, especially with favorable changes in bankruptcy laws.

The reasonable period proposal also helps middle class folk such as myself who receive a bill, mail it in after sitting in my "to pay" box for 7-10 days and then get dinged with a late fee of \$35 that equals my bill of \$35 because they receive it one day late. This is because they mail it out around 2 weeks before the payment date. That sure makes me mad and gives banks (credit card issuers) a heck of a lot of profit (on an annualized basis) if my credit card debt is \$35.

Also I dislike credit card company change in rules. First, although I never read through all of the fine print when they change the rules which always improves their profitability. They should be required to summarize changes

5/15/2008

which improve their profitability (whether it be a change in interest rate, a change in late fee, a change in the cycle, etc.). I also think that APR rates should be shown in both the payment stub as well as the summary of activity. **The payment stub should state in bold the initial APR rate the card was issued and the current APR rate.**

Thanks for taking time for reading this,

Alan Denniston