

**Congress of the United States**  
**Washington, DC 20515**

July 22, 2008

Honorable Ben Bernanke  
Chairman  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

Honorable John Reich  
Director  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552

Honorable Joann Johnson  
Chairwoman  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314

Dear Chairman Bernanke, Director Reich and Chairwoman Johnson:

In issuing the proposed rule under the Federal Trade Commission Act to address unfair or deceptive credit card practices, the Federal Reserve, the Office of Thrift Supervision, and the National Credit Union Administration have together taken an important and necessary step towards fairness and shared responsibility in credit card contracts. The undersigned cosponsors of the Credit Cardholders' Bill of Rights, H.R. 5244, applaud and support the proposed rule.

While the proposal deals with some practices slightly differently than H.R. 5244 does, it identifies as "unfair and deceptive" the same core abuses identified in our bill:

- Retroactive repricing, or raising rates on existing balances so as to instantly increase the cardholder's debt;
- Universal default, or raising rates retroactively on cardholders who pay on time and don't go over their limit;
- Double cycle billing, or charging interest on balances already paid off;
- Payment allocation to low rate balances, which prevents responsible cardholders from paying down their higher-rate balances;
- Excessive fees charged for subprime cards.

We agree that these abuses are unacceptable and should be eliminated, and appreciate the careful factual and legal case the agencies have made in proposing these reforms. We are pleased that your agencies, which are responsible for the safety and soundness of our financial institutions, are now firmly on record that eliminating these abuses will benefit consumers, and will not pose a threat to safety and soundness or the health of the economy.

Thank you for your leadership in this area.

Sincerely,

Carolyn B. Mabrey

Bernice A. Thompson

Maureen Dindig

Bernice A. Thompson

Carol K. Ketchum

Carol K. Ketchum

Tommy Baldwin

Rubén Hernández

Walt E. Auer

Chaka Fattah

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Louis M. Haughton

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Pat King

Sula P. Day

Betty Sutton

Vir Van Vollen

Bru Chandler

Michael E. Capuan

Peter Welch

Loretta Sanchez

John Speer

Salvatore

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Lynn Woolsey

Edward J. Markey

Tom. J. ~~Johnson~~

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Guss Carahan

Jim [unclear]  
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Yvette W. Clarke

Clara Beem  
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Brian Higgin

Mark Udale  
Zey [unclear]

Dois O. Matsui  
Henry Cuellar

Wm. Lang Clay  
M. V. [unclear]

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