

4 August 2008

Jennifer Johnson, Secretary
The Board of Governors of the Federal Reserve
Washington, DC (electronic filing)

Comments On Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, DC 20552 (electronic filing)

Comments On Docket [OTS-2008-0004], Regulation AA - Unfair or Deceptive Acts or Practices

Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428 (electronic filing)

Comments On Docket [NCUA RIN 3133-AD47], Regulation AA - Unfair or Deceptive Acts or Practices

Dear Secretaries Johnson and Rupp and Dear Office of the OTS Chief Counsel:

On behalf of the over one million members of the state Public Interest Research Groups, U.S. PIRG submits these brief comments in strong support of the joint proposed rules holding that certain common credit card company practices are illegal under the Federal Trade Commission's prohibition on Unfair and Deceptive Acts and Practices. These are commendable proposals.

In addition to these comments, we also sign onto and concur with the separately filed detailed comments of both the National Consumer Law Center on credit cards and overdraft loans and also the Consumer Federation of America on overdraft loans.

While we are pleased that the agencies, with the overdraft rule, generally recognize the inherent unfairness of the overdraft loans, we are disappointed that you have failed to understand how dangerously deceptive they are and so have proposed a weak opt-out rule that will not help rather than requiring that consumers affirmatively choose to opt-in before being subjected to these predatory "products" that are designed solely to deplete their wealth in a deceptive manner.

In addition, we have attached the comments of over 30 consumers who commented to us in favor of the credit card rules on one of our websites, www.truthaboutcredit.org, and asked us to pass their views on to the agencies.

A brief summary of our general views on the credit card marketplace follows:

Credit card lending is enormously profitable. According to annual Federal Reserve Board of Governors' (FRB) Reports to Congress, it is the most profitable form of banking.¹ Yet over the last few years, leading banks seeking even greater profits from credit cards have begun using unfair and deceptive practices to further increase profits:

First, as has been widely reported and is the subject of both these rule proposals and Congressional inquiries, banks can squeeze their existing customers for greater profits in several ways: including (1) using a variety of rewards and tricks such as encouraging extremely low minimum payments to maintain highly-profitable high revolving card balances; (2) raising interest rates on those balances through a variety of traps including imposition of penalty interest rates for late payments and changing due dates to encourage more of those late payments; (3) using misleading teaser rates and, (4) raising the rates of otherwise good customers by claiming that their credit score had declined or that they were late to another lender (called "universal default"); and (5) using unfair methods of balance calculation.²

Second, banks can market to customers of other credit card companies, urging them to switch by offering low teaser rates on balance transfers and other incentives. This marketing may be deceptive as well, due to the use of teaser rates with too many exceptions and take-backs and revocations, as noted in the proposed rules.

Finally, banks can seek out customers who have never had a card. While much of the marketing to college students and immigrant populations is problematic,³ the remainder of these comments focuses on the tricks and traps addressed by the proposed rule.

These unfair tricks and traps (along with the failure to adequately disclose the cost of credit⁴) force the most at-risk members of the customer base to carry large unpaid balances at unaffordable interest rates and leave them in a cycle of perpetual debt. For too long, the credit card industry has operated without fear of either market or regulatory action to temper its excesses, at the expense of the public's welfare. The proposed rule, while modest, addresses only the worst excesses of the industry that have allowed it to unfairly make "bad" profits on top of the "good" or "fair" profits it has made in the past, and will continue to make in the future. The rule allows the industry adequate opportunities to account for risk.

The proposed rule generally bans the worst practices, without resorting to usury ceilings or fee caps.

- The rule bans retroactive imposition of punitive interest rate increases based on the notorious universal default or risk-based re-pricing schemes, where the increases are made despite a cardholder's perfect "paid as agreed" relationship with the company. No further exceptions should be allowed:
- Similarly, it bans retroactive imposition of punitive interest rate increases unless payments are 30 days late. Again, no further exceptions should be allowed. Hair trigger rate increases have not been shown to risk-based and are inherently unfair;
- It requires favorable or proportional allocation of consumer payments when their balances reflects different interest rates;
- It prohibits late fee due date "gotchas;"
- It imposes a variety of other "tell me first, don't trick me" disclosures, and bans arcane and unfair methods used to collect interest on already-paid balances.

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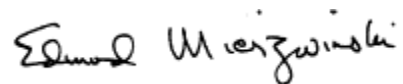
In conclusion, we commend the agencies for the proposal on unfair credit card practices. We strongly urge the agencies to resist bank efforts to weaken the proposed rules, especially with the anticipated exceptions we can predict, that are not based on risk but would claim to be, but are actually based on an intent to swallow the rule.

Again, our detailed comments on credit cards can be found in our sign-on to the National Consumer Law Center comments also filed today.

Thank you again for the opportunity to comment on these historic proposals to regulate what has been for too long a wild-west credit card marketplace. We look forward to their adoption.

Attached, please find comments of a number of consumers in support of the rule.

Sincerely yours,



Edmund Mierzwinski, Consumer Program Director
U.S. Public Interest Research Group
edm<AT>pirg.org
202-546-9707 x 314

www.truthaboutcredit.org website in support of the proposed UDAP credit card rules.

¹ “Although profitability for the large credit card banks has risen and fallen over the years, credit card earnings have been consistently higher than returns on all commercial bank activities.” See “Report to the Congress on the Profitability of Credit Card Operations of Depository Institutions,” July 2007, Federal Reserve Board of Governors. The 2007 and previous reports are available at http://www.federalreserve.gov/pubs/reports_other.htm (last visited 18 March 2008).

² For discussion of these tricks and traps, see testimony of this letter’s author, Ed Mierzwinski at a hearing of the Subcommittee on Financial Institutions and Consumer Credit of the U.S. House Financial Services Committee. (17 April 2008, available at http://www.house.gov/apps/list/hearing/financialsvcs_dem/mierzwinski041708.pdf (last visited 4 August 2008).

³ Another key target is certain immigrant populations who are good credit risks but have previously obtained their credit needs without credit cards. See, e.g., the report “Latino Credit Card Use: Debt Trap or Ticket to Prosperity,” February 2007, Beatriz Ibarra, National Council of La Raza, available at <http://www.nclr.org/content/publications/detail/44287/> (last visited 18 March 2008). Banks can also seek customers from populations who’ve previously had a credit card and lost it through default. There is a growing business of sub-prime, high fee credit cards. As one banker has noted, these consumers already “have a taste for credit.”

⁴ The subject of the companion Regulation Z, Truth In Lending docket.

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The following consumers filed comments about unfair credit card practices on U.S. PIRG's Truthaboutcredit.org website and asked U.S. PIRG to send them to the Federal Reserve Board urging support for a strong final rule in

Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

Also filed with

**Office of Thrift Supervision Docket No. OTS-2008-0004
National Credit Union Administration 12 CFR Part 7706**

Christine Lindstrom
30 R Jamaica Street
Jamaica Plain MA 2130

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

Many people say that folks who are in credit card debt are personally responsible for their debt; it is not the credit card company's fault. But if the credit card industry can change the terms of their contract with a consumer at any time for any reason, then what does personal responsibility matter? Please maintain the strong rule changes that the Fed recently proposed to rein in credit card abuses.

Vivian Liker
2215 Cruger Ave.
Bronx NY 10467

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

The corporate citizens who issue credit cards to consumers have now become the new corporate mobsters. They are out of control and ruining our economy by their behavior. Please stop them before they create a depression in our country. Profits are good , but criminal behavior is not.

Charles Laczkoskie
24 n. main st.
jacobus PA 17407

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

let's cut the totalitarian unfairness of the credit card cos. The old law was 10% and it shouldn't be any higher now. The banks don't give 10% for your savings. Limit it to the savings account. If it's 3% then the interest should be 3%. Simony or any other form of illegal higher interest rates and their subsuquent penalties is against our constitution.

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Gaylun Pearson
1440 Olivewood Lane # 127
Alpine CA 91901

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

I had two different Discover cards, each with close to the same amount. I was with a company that paid them each month at the same time. One card was at 17% and the other card was at 24% ! Why was that? I have since paid them off from my savings acct, but when I call for the "payoff amount" I paid that amount. They then sent me a bill for something like \$3,26 for some kind of fee. I wrote back and told them to sue me! No more credit cards for me. Banks are crooks!

cathryn lam
1418 w 187th st
gardena CA 90248

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

I have suffered from bankruptcy because my creditcards like Discover & Citibank charged me interest of over 20%, and very high fees.;Now, I a very low credit score, and I can not get financing, etc...My future is much more difficult economically and socially because of this! Banks have used & abused me and many people at an early age! Our life looks grim & ruined!

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Patricia Petiet
3211 Packard Rd.
Ann Arbor MI 48108

**Comment on Proposal:
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Credit card practices have caused both my sons to balloon their \$300 limit cards to over \$1200 in a matter of a year. The credit card companies do this by immediately charging \$150 for the privilege of having the darn card. Both boys were heavily solicited at college. They failed to realize the immediate cost of their cards and of course didn't have the money available to pay off the debt each month since the cost was more than they were told it would be. also, both went over the limit since that \$300 card was really only worth \$150. They were not told of this and of course it was in the VERY FINE PRINT. We're taking about 18 year olds. I don't think it should be legal for these companies to advertize on college campuses at all. These kids are not independent yet with jobs etc.. We've also seen ads on T.V. for cards at 99% interest. Isn't this extremt usuary?

Sean Rafferty
1850 Evans Lane #31
San Jose CA 95125

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

Dear Federal Reserve members,;;I'm very please to read of proposed changes to regulation of the credit card industry. It's bad enough that our nation is so engulfed in personal debt due to the insatiable desires of materialism and greed that seem unending in our society, but even worse of how the credit card industry takes advantage of their clients and are only to happy to practice current day usurpery!;;I confess, as one who has used credit cards to pay my rent, mortgage, other necessities and racked up over \$100,000 in such debt over the past 5 years, I sadly write this. I honestly believe decisions on credit limitations should only be made based upon how most mortgages are underwritten now - in consideration of ones income as expressed in documentation (pay stubs, W2s, tax returns, etc).;;Please do not back down from your proposed regulations, most especially, the efforts to eliminate:;; -- Universal Default Clause Rate Increases; -- Unfair Payment Allocation; -- Hair Trigger Rate Increases;;Please do not let this industry, which takes advantage of this nation so much, continue to get away with financial slavery.;

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MYRA ARANT
162 cross rd.
lexington, SC 29073

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

FEDERAL BANK REGULATOR...PLEASE STOP UNFAIR, UNSCRUPTOUSLY, UNCONSCIOUSABLE, INHUMANE, PRACTICES OF KNOWN PREDATORY PRACTICES OF DISCOVER CREDIT CARD/BANK IN COLUTION WITH SEARS. SPECIFICALLY: SEARS ISSUED CR. CD. 8 YEARS AGO.. WHEN WE WERE ALREADY 62 YEARS OF AGE.,ALONG WITH DISCOVER CARD BANK ISSUING NOT ONE, BUT 2 CARDS TO MAN AND WIFE..WILLIAM D. AND MYRA T. ARANT CULMINATING FOR 7 YEARS TO THE TUNE OF \$10,000 EACH. SEARS DID COLLECT PAYMENTS FOR DISCOVER CARD AT THEIR STORE(ON TIME) AND DID NOT GIVE CREDIT UNTIL DISCOVER CARD HAD A CHANCE TO SLAP A LATE FEE....THEREBY CAUSING THE HIGHEST POSSIBLE INTEREST RATE....AND RAISING THE LIMIT OF MONEY TO THE ALREADY STRUGLING SENIOR CITIZENS (65 AND OLDER) TO REPAY...KNOWING FULL WELL, THEY WOULD SOON BE BANKRUPT. 36 OR MORE FRAUDALENT LATE CHARGES ON EACH ACCT. (SOME OF WHICH WERE REFUNDED ONLY AFTER REQUESTED. THEIR AUTOMATED SYSTEM DID NOT POST UNTIL 3 DAYS LATER. WE BECAME LIVID) ON THE UNFAIR CHARGES. TELL ME HOW YOU COULD REGULATE THIS COLUTION THAT HAPPENED TO US. WE HAVE ALREADY PAID BACK DOUBLE WHAT WAS DUE. THEIR PRACTICE HAS PLACED US AT DEVASATION'S BANKRUPT DOOR. THEIR ATTY. NOW WANTS \$22,000 FROM US, NOW 71 AND 74 INCLUDING THE UNCONSIONABLE INT. RATE., THE UNLAWFUL LATE FEES, AND CONSTANT CALLING, THREATS..EVEN SELLING OUR VULNERABILITY TO OTHER CREDITORS TO STICK IT UP US TOO! STOP IT, SO WHEN YOU'RE OLD, YOU WILL REMEMBER THIS WRITING AND FACE YOUR MAKER WITH A CONSCIOUS....AND KNOW YOU HELPED THE UNSCIONABLE OPPRESSED VICTIMS DATING BACK TO THE 9-11 WHEN CREDIT CARD (DISCOVER) CAPITALIZED UPON A DAY LATE BLAMING IT ON THE MAIL. CRUEL....CRUEL....CRUEL.WILL YOU BE A REGULATOR, OR JOIN THEM?

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Mary Hazard
4221 Delor Street
st louis MO 63116

Comment on Proposal:**Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

My credit card account with Universal Savings was sold to Metabank a couple of months ago. I recently received my first statement from Metabank and saw that my interest rate was increased from 11.49% to 19.99%. My monthly payment increased by \$81.00 a month. This is a utility payment for me. ;I was not consulted about the purchase of my credit card. My past charges should stay at 11.49%. 19.99% should only apply to new purchases.;;Please send my letter.;;Thank you.;;Mary Hazard

Cheryl McDowell
139 DiMarco Drive
Philadelphia PA 19154

Comment on Proposal:**Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

I took an incentive that Bank OF America offered for balance transfers as low as 9.9%... I pay on line for my bills, and because I made a payemnt by the third day (it as due 3 days ealier) in which I thought you had a 15 day grace period, NOT TRUE. Because I made my payment (3) days later on line, my interest rate went from 9.9% to 24.99% and contacted BOA, they told me I had to be 6 months paying bills on due date. What ever happened to a grace period?...Now I am stuck at 24.99%, and rising interest rate. We are already in a recession, and they are making it very hard for the consumers. This just insn't fair...I have very good credit although, I cannot affor to pay a \$300.00 at those interest rates, I will never get this paid. ;; Something needs to be done. This doesn't hit my credits as being late, but come on to raise my interest rate is pathic.... Action must be taken to protect the consumers. Please foward with correcting these credit cards raising fees to collect more monies from our pockets. This is just INSANE.;;Thank You,;

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Jeannette Parrott
65 Arch Drive
Sedona AZ 86351

Comment on Proposal:**Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

I am at my wits end and I don't know who to turn to in an act of desperation I'm sending you my story. Back in late 2004 I had two Capitol One credit cards with limits of \$300 later they increased the limit on one card to \$500. In 2005 I paid \$300 on one and \$200 on the other. ;;Although I had paid the cards down and nearly off I ran into a rough spot for a few months. During this time I got to the point where I couldn't keep up with their finance charges and penalties. The balance grew past the point of the credit limit so they began adding over draft fees for the money that Capitol One added to the card which pushed it over the limit.;In 2006 my account was turned over to collection. I had several people from over seas calling me as often as 3 times a day 3 or more times a week by 3 different people. At this time, I didn't know what to do. I thought of suicide. ;;Out of desperation, I made arrangements to pay \$300 May of 2006 and then \$250 in June of 2006 on the card with the \$300 limit. I had cleared the debt for one card. All this on a card that I might have owed \$50 on with the rest being finances charges, past due fees, and over draft fees (because of their charges causing over the limit drafts being added). One month they even charged me an annual fee for a card that I had not used in two years. The added fees for that month was \$97.00 which included \$29.00 over draft and \$29.00 late fees. Again, I had not used the card since 2005 so that I could just pay them off and be done with it. ;;I couldn't catch up, and didn't know what to do. I stopped answering the phone and stopped paying. Several collection agencies have called me on this account and have been rude, condescending, and threatening along with harassing me. I accidently gave them my home address which I now realize was a huge mistake. The Jerold Kaplan Law Office in Phoenix has sent me a summons for court. I am supposed to go up to the courthouse and pay court costs or something like that. They gave me 20 days to do this. During an harassing call, I offered to pay \$25.00 and month and Trenda Darnell of Jerold Kaplan's Law office said that was unacceptable. They wanted \$169.00 for 10 months (\$1690.00). I am barely making expenses even today but am trying very hard. There have been calls weekly from individuals for the past 3 years from other companies as well other than from this office. This was my last straw and I needed to ask for help somewhere. I am a 60 year old woman living alone.;;I was hoping that the Fair Debt Collection Practice Act would protect me but I don't know where to begin in the process as I have until June 30th to pay \$979.00 to this law office which the Flagstaff, AZ legal aid office set up. This feels like extortion of;;some form it seems to me and ANYONES help would sure be gratefully accepted but I also understand that it is the Law! The law for the people right? ;;Thank you for your assistance and time in advance.;;Sincerely,;Jeannette Parrott;928-284-1879;;Sedona, AZ 86351;

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Jashumati R. Patel
3322 Ebenezer Farm Rd
Marietta GA 30066

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

I, Jashumati R Patel, am writing to you to let you know that Bank of America Credit card increased my rate from 1.99% to 24.24% for being late just a few days. They charged me \$39 for late fees. This is the first time I have been late in making a payment to them. They deduct every two weeks directly from my account. This time I was late because I could not get my deposit to the bank in time due to my final exams for the quater at school. I don't think it is fair to hike up the rate so much for being late for the first time. I think the Federal Reserve so not back out from pinning down credit card companies for taking the advantage consumers who are late may be once or twice in their life time. The economy is already tough for the consumers and credit card companies like Bank of America take advantage of consumer like me who is late for the first time.;;Thank you.;;Sincerely,;Jashumati R Patel

Bryan Fjeldos
2833 N Fox Run Circle
Green Bay WI 54302

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

I have never been Late on payments to unioncardplus card always paid 2 weeks ahead of due date was given card at 9% Now 1 year later it is at 19.8 what a scam. America is going down the tubes Greed will be its down fall NO LEADERSHIP all paid off

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Donna Taliaferro
5801 Walla Avenue
Fort Worth TX 76133

Comment on Proposal:**Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

1. apply payments to highest interest rate.;2. I have a card that I will not charge on due to their raising the rate even though my credit score is good and payments have always been on time. I was one of a group they just decided to one day say "screw you". The reasons were not good enough for myself and others who have small businesses. ;I have banked with the bank in question for over 21 years. My banking is a separate branch of the company...yet how this company treats its customers is atrocious!!;I frequently have bills that have a 29 day cycle...What is the cycle supposed to be?;Include payments allowed over the phone to be added to the list. Numerous companies are penalizing the customer who wants to call in and talk to no one and punch in the information to a computer and make a payment. ;Numerous seniors do not get on the the internet to do bills...this penalizes them. ;I have been charged a fee when I could not get the voice software to recognize the tones of my internet phone when I have been out of the country. True story...last Christmas. Not abusing the customer service and being able to pay a bill on the phone is faster and way quicker than logging in and paying on the net.;I have done both and depending on the software and my memory with too many usernames and passwords in my life..it is usually easier to call the bill in and talk to noone!!;3. Take the teaser rate status away. Either give customers a good deal or don't. It has not helped me!!;4. Do not apportion out a payment. Just apply to highest interest first. You are not helping decrease if you apportion the payment to The bank make money and they invested in hedge funds...thier loss.....Mortgage problem...they knew what peoples credit scores and ability to pay were!!!! I do not feel sorry for this industry crying WOLF!!

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National Credit Union Administration 12 CFR Part 7706

Angela Woodard
2300 Woods
Foreman AR 71836

Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

7/8/2008;;To Whom It May Concern;;I was one who needed credit cards to make it through college, but fortunately I did not abuse them so as to rack up too much debt. But since graduating and looking at my situation with the amount owed, I figured to stay on top of everything I needed to seriously start paying off my credit cards, especially since they were starting to frequently go up on my interest though I was a good, timely, NEVER LATE, paying customer. I made a 5 yr. plan of my own but they wouldn't let me reach my goal because they "found" reasons to continually increase rates. So I called them and asked "if there was anyway to stop the intrest rates from increasing and just let me start paying you guys off"; that was all I needed, (you know what Discover says they offer to their clients now-Don't believe it) and they flat out told me no. I owed less than \$10 thous. with interest rates no higher than 14%, never late, and they refused to help me. So I closed the accts and entered into a Debt Mngmnt plan. After being on the plan for 2yrs I unfortunately lost my job and so wanted to save the \$36 monthly payment I was paying the Consolidators because I was, well, BROKE and you know they REFUSED TO DEAL WITH ME PERSONALLY, TO SET ME UP ON THE SAME OR SIMILAR PLAN THEY DID FOR THE CONSOLIDATOR AND FLAT OUT TOLD ME TO STAY WITH THE CONSOLIDATOR OR MY INTEREST RATES WOULD INCREASE TO WHERE THEY WERE BEFORE THE NEGOTIATIONS WERE MADE OR POSSIBLY EVEN INCREASE HIGHER. Some of the representatives were flat out Rude and ugly, as if offended that I was half way through paying off the cards so why should they help me; just tough it out, you know, as if to say "too bad you lost your job and if your amount owed tripples due to the situation, it's not like you own "tons" of money. ;The creditors were all pushing so hard for me to stay with the Debt Consolidators that it seems like they must be getting some sort of kick-back if they keep me with them; which would make since as to why they refused to help me personally. I was very disappointed but due to the situation I couldn't risk my interest rates going up, and possibly owing more so as of now I'm sticking w/ the consolidators.;;Sincrely,;Angela Woodard;

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John Staschiak
245 Wildwood Drive
St. Augustine FL 32086

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

While credit cards are great for short term borrowing because of their convenience, more & more people are relying on them as means to make ends meet. I have a good credit score and successfully run our family business. I know that if I dance with the devil I have to pay my dues. But the credit card companies lending practices are deceptive, predatory & abusive. I have a business card with bank of america. I make my payments on a timely basis and pay \$400.00/month more than minimum payments. I received a notice that my balance was not going down fast enough so they were going to raise my interest rate to 22 percent. There are no stipulations in the agreement as to how much had to be repaid in a given amount of time. The company printed a minimum payment on each statement, and allocated a given amount of credit. My financial conditions have not changed. What has changed is that bank of america is gouging customers at a time when they know most people will have no choice but to refinance, and that will be difficult given the tight credit markets. This in turn generates extra fees, higher interest rates, with consumers with little choice in what to do. If credit card companies want to be able to utilize(not abuse) the credit reporting system then they should have a base interest and a ceiling so that consumers can be assured what their payments will be if they are in good standing with the company. If they are habitually late, or in default then that should also be addressed in an equitable manor. Credit card companies also solicit people that do not understand the legalese in credit card agreements. There should be a national form implimented that is brief, clear, and concise about rates, terms, dates, fees, credit standing, disclosures, similar to the national truth in lending forms banks use on real estate loans. Much of the credit crisis is because of these companies own greed. They push borrowers to the breaking point, forcing them to declare bankruptcy or be an indentured servant to one of their "debt counseling" companies. I'll bet that a lare percentage of foreclosures started because of the predatory & deceptive lending of these card companies. I guess my main concern is that credit card companies make and agreement and stick with it unless of course a borrower is in default. That makes things more predicatable for both parties. Thank you for allowing me to comment.

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The following consumers filed comments about unfair credit card practices on U.S. PIRG's Truthaboutcredit.org website and asked U.S. PIRG to send them to the Federal Reserve Board urging support for a strong final rule in

Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

Also filed with

Office of Thrift Supervision Docket No. OTS-2008-0004

National Credit Union Administration 12 CFR Part 7706

Wesley Brown
1439 West 125Street
Los Angeles CA 90047-5328

Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

I have a sense of helplessness about my immediate survival and long-term financial security.;Due to "Circumstances beyond my control" being a Disabled, Senior Citizen on a Fixed Income, My income allows Payment of my first and Second (Equity mortgage) Mortgage. For me The Economic melt Down has resulted in a 300% increase in My utilities (Lights, Gas for Home, Water, Gas for Transportation) Fees for Canceling Auto Insurance early, Increase interest rates, Late charge fees, Increase Finance charge on all of my credit cards, Loan to Value of my Home up to 97% Comp of homes in the area from \$550.000.00 Down to \$394.000.00;;My More than Five attempt Beginning at a time when my credit was Excellent and the above elements of the Economic melt Down would have allowed more advantage "Oct2007". Consolidation of My second Equity mortgage and first mortgage was declined each time.;;As a result the position I am in is unsatisfactory .I can only Make and Offer this "Good Faith Payment of \$1.00(One Dollar) Monthly. Until "MY Economic melt Down reverse";My utilities maybe turned off this month my family may no longer be able to take up the slack.;;To Promote Solutions to out of Control Credit Card fees or penalties I suggest: ;The Federal Reserve Board and other regulators Impose Control on the Bank where in "No fees or penalties increase in payment that is above or greater than the minimum payment due" and this is to happen only after 30day late" any Credit Card. billing;;Don't Allow the Banks to Kick me while I am down ;Don't support out of Control Credit Card fees or penalties during this weak economic growth Don't let them prey upon students, Senior Citizens, the Disable, and the fragile Consumers ;;Give them (students, Senior Citizens, the Disable, and the fragile Consumers) a chance to :;1. Face with the problem ;2.Acknowledge the problem ;3.A chance to respond to the problem;;Rules should be tighten up around ,;Targets of the credit card industry. Out of Control over the Top Credit Card Marketing, Terrible Credit Card Terms and Conditions, credit cards fees or penalties;Credit Card Practices and Attitudes Toward Aggressive Consumers ;;No More Double-Cycle Billing: Some banks reach back a month, under a loophole in the Truth In Lending Act, and charge interest on amounts you already paid off last month. This practice, known as double cycle billing, would be banned;;No More Hair Trigger Rate Increases: Credit card companies could no longer raise your interest rate on existing or outstanding balances if your payment arrived a few days, or even an hour late. You'd need to be thirty days late before they could retroactively raise your rate. Hair trigger rate increases would be banned. ;I am facing all of the above Due to "Circumstances beyond my control" it is a very difficult decisions to not use my credit card for immediate survival knowing I am place my long-term financial security at risk. The economy is in bad condition and that the government should be doing more to help.;;I offer Other Initiatives to Promote Solutions to out of Control Credit Card fees or penalties in my next letter to follow.;

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Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

Also filed with

Office of Thrift Supervision Docket No. OTS-2008-0004

National Credit Union Administration 12 CFR Part 7706

Karyna Esquivel
1090 Hollyhock Ln
New Braunfels TX 78130

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

Dear Sirs,;I strongly believe there needs to be some control on what credit card companies are doing to consumers. I have several credit cards that I try to pay on time all the time. On two occasions with two separate credit cards, I missed my payment by a couple of days. It was an oversight on my part. Because I was 2-3 days late, I was charged a \$39 late fee, a \$39 over-the-limit fee (because the late fee made my accounts go over the credit limit, and my interest rates went up from about a 14% rate to a 22% rate overnight. Now I am struggling to pay them because most of my payment goes to the almost \$44 of interest per month.;Also, because there is no type of reminder about annual fees, these fees are added to the account, which has caused my balance to again go over the credit limit. Therefore, the credit card company can now charge me a \$39 over-limit-fee and raise the interest again because my account defaulted on the original terms:pay on time and stay under the limit!;Another concern I have is that banks charge some transactions as cash advance transactions. Because the interest is higher on these, I get charged more interest for these transactions. This does not make sense. If I am using my card for basically the same things just at different locations, why am I getting charged more for some than others? What makes the entire situation worse is that when I make my payments, these don't go towards these higher interest transactions, the payments go toward those transactions that are charged less interest. ;These practices are unfair and are causing consumers to default on credit cards. Many people are trying to be responsible consumers but it becomes very difficult when you are fighting against something that uses any means to make a very high profit. ;I ask that you please not weaken any of the strong proposals against unfair credit card practices. As a matter of fact, I ask that you put stringent regulations on these banks that are cheating to become wealthy as they are destroying what consumers are trying to build.

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Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

Also filed with

Office of Thrift Supervision Docket No. OTS-2008-0004

National Credit Union Administration 12 CFR Part 7706

Mitchell Noble
4822 Casa Manana
San Antonio TX 78233

Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

Dear Fed,; Please follow through with these regulations to guard against unfair banking practices.# 1 No More Double-Cycle Billing: Some banks reach back a month, under a loophole in the Truth In Lending Act, and charge interest on amounts you already paid off last month. This practice, known as double cycle billing, should be banned. ;# 2 No More Hair Trigger Rate Increases: Credit card companies should no longer raise your interest rate on existing or outstanding balances if your payment arrived a few days, or even an hour late. You'd need to be thirty days late before they could retroactively raise your rate. Hair trigger rate increases should be banned. #3 Offering high interest credit cards to students who are not employed. This is preying on consumers before they even get to start their financial lives and should not be allowed. If the Fed won't help, the banks will ruin the country until credit critical mass will collapse the whole economy.;Best regards,;Mitchell Noble

Wanda Sears
838-29th Street
Des Moines IA 50312

Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

I have had MBNA, Capital One and Discover card in the time frame I heard mentioned on theTV ad. Interest rates are out of sight on all 3.;I have settled a Bank of America card for the amount of products bought and now have dropped it but I still have AAA [MBNA] and am rying to pay it down from the interest rate of more than 20% even though I made 2 payments in one month so I would be ahead of the due date but the computer or person did NOT keep that in mind and have charged me repeatedly or late payment even though I made it clear that this was my intention so I would always be on time.

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Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

Also filed with

**Office of Thrift Supervision Docket No. OTS-2008-0004
National Credit Union Administration 12 CFR Part 7706**

Joseph Tozer
5257 N. Ludlam
Chicago IL 60630

Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

Enough is enough. Big credit protecting ridiculous practices that permanently damage the lives of countless americans. People don't always make good decisions when offered credit, they just keep digging themselves in deeper until they are forced to realize they are in a hole they will never get out of.;;If people had the money back they've paid in fees, penalties and interest, they may be able to pay their mortgages, or stimulate local jobs by spending the money in local businesses.;;It is a sickness that this country should never have let get out of control. I don't fault the credit businesses for seeking maximum profits, I blame the government for allowing it to get as bad as it is and appearing to hold the credit companies interests above those of the american people.

Harry Bryson
1405 S main
holden MO 64040

Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

I have had rate's rasied because I was late ;only 1 day because of week end payments so please don't back down it's about time some one did something about them and not the ;consumer's I have never been 10 day's late with a payment ; Harry D Bryson

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Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

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Office of Thrift Supervision Docket No. OTS-2008-0004

National Credit Union Administration 12 CFR Part 7706

Kristine Ramsey
7 robin hood Road
wareham MA 2571

Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

Hello,;I'm going to be a new college students soon. I want to get a credit card and start making a credit history for myself, but I have yet to do so. Why you may ask? Well its because of the nasty stories I've heard of young people going into serious debt because of theses cards.;Please stop this cycle soon I do not wish to be a victim as well. ;Sincerely,;Kristine Ramsey

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National Credit Union Administration 12 CFR Part 7706

Terry Collum
14610 N. Shiprock Rd
Sun City AZ 85351

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

DO NOT BACK DOWN!;;I feel the Credit Card Companies, actually feel they can do exactly what they want, with no action taken against them!;;I have sent a letter of complaint to the Arizona Attorneys office, Comptroller of Currency, and to the Senators of Arizona. My complaint does not appear here, but still shows how far I BELIEVE they go!;;I had a card, paid off with NO balance, when I received an offer from them to do a balance transfer .. one of those for a 0% for a year. Mind you, this was from a card already established, showing no balance etc.;;I have had some issues, so I thought I should take advantage of the offer for a card with a higher percentage. I CALLED first!!! No problem.;;I used the balance transfer checks and thought nothing of it until I received letters from them stating they feel that since I am too close on my balances (other items), they backed out the pmts I sent!!!;;PLEASE NOTE! MY CREDIT WAS FINE!! 704 WITH ALL THREE CREDIT REPORTING OFFICES.. NO LATE PAYS SHOWING!! YES, my card limits were up there, but never over etc.. ;;Due to their action, I now have an overage and late pay STUCK ON CREDIT & MY CREDIT SCORE WENT DOWN TOO !!!!!!!~~;;How can they do this!! misrepresenting the whole thing!!!! On a card paid off!, Credit Score over 700, no late pays etc. Yes, I understand that high limits are a factor, but this is the only factor!!! They sent me the offer, on a card with a "0" that I already had established with them!;;Unfair practices!! When I called them, they stated I should have called first.. (which I already did - but they had no record of it) ;;Even with discussing items as per above, they stated, my limits on others were to high.. But !! THEY SENT IT TO ME!!..;;Their answer, was it still does not mean I can take advantage of it. Should have called first etc.;;Other actions such as this should be looked into also. Why send it to me, if they felt they did not want me to use.;;my biggest COMPLAINT! It was paid off, no balance and I had it with them for I believe over 5 years.;;Thank you for your time regarding this matter.;;Regards,;Terry Collum

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Also filed with

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Elaine Wexler
121 Andover Sparta Rd
Newton NJ 7860

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

Dear FRB,;;My husband and I always pay our bills on time. Capitol One is abusive in the fees they charge at thier whim even for a good customer. ;Their customer service is of no use and those people on the phone are rude. ;;Also the use of LIBOR rates is outrageous and is done as they can charge more. They offer a fix rate card then change to Variable. They also delay mailing out statements then charge you for being late. If you pay online because the statement is late they charge you for paying on line. We are working to pay off this card ASAP and now understand we'll be penalized again because we applied for a card from another issuerer with better terms but Cap One indicates because we applied for more credit our credit score has gone down so we have to pay them more. This is a vicious cycle and only the CC are winning. They make is to expensive to get out of debt. Alos Cap One just changed the minimun payment to 1%, it used to be 2%. Another way to keep the fees to them rolling in. Min payments should be 10% for everyone. That is one way to get people to slow down the use of credit cards. We always pay 10% or more that is why Cap One doesn't like us.

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National Credit Union Administration 12 CFR Part 7706

Sharon Lyon
115 Carolinian Drive
Summerville SC 29485

Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

Dear Federal Reserve.;;I feel it is an absolute crime to charge consumers outrages unethical interest rates for being one day late. I have experienced this myself. I have good credit a score of around 710. I had a credit card with bank of america and was one day late. Suprise to me they charged me a fee of \$39.00 and then hiked my interest rate to 29.95%. I called the creditor to explain to them that this was an automatic bank draft from the bank and I could not understand how it could be late. Instead they claimed even though it was an automatic bank draft from the bank that should have always been on time, the date should have been set up sooner. I was not please at all to find out on a \$5000.00 balance used for an international adoption was now going to sky rocket the fees and interest on that debt to a 29.95% interest rate. I just do not see how this is fair. Now I have to make sure every month that the automatic draft goes in on time so I am not charged any additional late fees. I will be stuck with that devastating interest rate for 6 months. Then if I am a good girl I might get it lowered to 19% when I opened the account it was a fixed 9.99\$ and 0% on balance transfers for 1 year. It is outragous. With the economy like it is, I know everyone is in a crunch, but allowing credit card companied to continue these practices our economy will continue its decline to its doom, unless practices like these are banished!

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Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

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**Office of Thrift Supervision Docket No. OTS-2008-0004
National Credit Union Administration 12 CFR Part 7706**

Sharon Lyon
115 Carolinian Drive
Summerville SC 29485

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

Dear Federal Reserve,;;Thank you for taking the time to listen to my story. I am a college graduate happily married with an annual income of \$150,000.00. After long bouts with infertility we decided to adopt internationally. With already numerous infertility bills from multiple interventions to try to have children of our own, we were faced with our only decision left to become a family. Through adoption. My husband and I Opened a credit card through Bank of America with a 0% introductory rate for 12 months and default fixed interest rate of 9.99. This was perfect enough time to pay it off within the year. Well I set up the payment to come out automatic draft from our checking account. To our surprise for several months I recognized a late fee, called the bank and they did refund the money on two such occasions. several months went by and then I noticed the minimum payment had more than doubled. I looked at my interest rate and it had now defaulted to 29.95%. I called to complain and to let them know, that I did not understand how this could be happening when it was an automatic payment from the institution and there was no way in which it could be late. They claimed I now needed to set the payment date to a sooner date to assure they would get the payment on time. To my devistation I am now being charged 29.95% interest rate on over \$5,000.00. This is criminal. Our credit scores are good arond 710-720. We pay all our bills on time. We do not have a lot of extra money becuase of a very expensive journey in becoming a family. For the next six months I must endure the pain of that interest rate. and if I am a "good girl" for six months they might re evaluate it and lower it to 19.95%. Wow still very high. With the economy the way it is, and everyone just trying to make ends meet and stay above water, practices like this should be banished! It is Criminal in times when everyone in our Country is struggling to allow Credit Card Companied to thrive!

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National Credit Union Administration 12 CFR Part 7706

Ronald Cronk
3751 31st Street #3
San Diego CA 92104

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

I have a credit card with Bank Of America.;It's an American Express card. The credit card was at the rate of 9.99%. I always pay my payments on time with that card as well as all my other bills. My credit rating runs between 680 and 720; 720 when I checked last. I had approx. \$4,000 in debt on the card and I happened to notice in July of 2007 that they had raised my rate to 18.99%. When I started looking at it, I noticed they raised the rate in March but I just didn't realize it. I called them and they said they sent me a letter in May or June saying they were raising my rate and that if I didn't want them to raise the rate, I should respond not to raise my rate. First of all, if they raised it in March, why didn't they send the letter before they raised it instead of after. Secondly, why would any one in their right mind want their interest rate increased. Thirdly, I don't believe I ever received a letter. This was pure thievery. So I paid off the balance. They sent me a 0% transfer offer shortly after that and it was good for a year. I used that 0% offer and will pay it off in a couple of weeks before interest kicks in.;;Another circumstance with the same card was that I made a purchase. However, I cancelled the purchase. It took two months to reverse the charge and even after the charge was reverse they were trying to charge me a finance charge on it as a purchase. I shouldn't have had any finance charges because the only thing I had on the card was the 0% transfer.;;Thank you for your time.;

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Terrian Mitchell
1262 S. 6th Avenue
Yuma AZ 85364

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

I have paid my Chase Visa card on time and in fact, paid more than the minimum payment due. Last month I paid a few days late (I just forgot) and my interest rate is jacked up to over 28%!! I called Chase to see if I could get that interest rate reduced. They referred me to their "assist" department and said that they could possibly put the rate back to 12% and the payments \$143/mo (of course a huge finance charge had already been posted too). They told me to call back in two days. I did and the rep said, "Well there is note here that just says we can't help you. I can give you the number to some credit counseling services." I told her that Chase also has my mortgage and the new credit card rates are impacting my ability to pay other bills. The rep said that if I pay on time for a year they could reexamine the interest rate. I have gone from a happy Chase customer to a vocal dissatisfied one. I might expect these antics from a "credit card mill" but not from a bank like Chase.

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Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

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Office of Thrift Supervision Docket No. OTS-2008-0004

National Credit Union Administration 12 CFR Part 7706

Lynne Reinhard
2020 13th Street
Coralville IA 52241

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

My 20-year-old son got his first credit card from an issuer called Credit One Bank. The limit was low (only \$200) so it seemed like a good way to start establishing credit. What he didn't know was that they charged \$5.95 a month toward an annual fee of \$60 (on a card limit of \$200 that seems outrageous in its own right) plus they charged him \$7.95 every time he paid his bill online or by phone. Then they charged interest on these fees as a cash advance. The interest rate was 23.9%. One emergency trip to the vet and that card was already over the limit with all the add on charges. Every time he made a payment he could barely cover the minimum. Eventually they started charging over the limit fees (\$29) and past due fees (\$29). He missed his first payment in May and now his balance is up to over \$400. He called the company to close the account and I moved the paid the entire balance with my credit card. We waited on hold for over 20 minutes to talk to a representative to close the account. The line sounded like it was dead which I'm sure causes most people to hang up. They told us it would take up to 21 days for the closure to go through. I'm sure during this time they will try to continue to charge us additional fees. I cannot wait to drop this account. Unfortunately it has already negatively impacted my son's credit and he will pay for that mistake for a long time to come. This information may have been included in all the fine print they sent but it was not clearly disclosed during the application process or after he received the card. They should have to give this information as clearly as the "bullet" they include about the great benefits of carrying their card. I just wonder how many other people have been victimized but the shady practices of Credit One Bank or companies like it. I hope the Federal Reserve will act to protect naive consumers from these kind of lenders.

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Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

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National Credit Union Administration 12 CFR Part 7706

Peter Bolden
5901 Agusta Street
Philadelphia PA 19149

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

Dear Congress and the Federal Reserve;;I saw an ABC tv interview with a member of truthaboutcredit.org, and I came to this website as a result. I am in full support of any and all measures to curb the malicious abuse of customers by credit card companies. You gave them a big gift in the Bankruptcy Reform Act of 2005, so please balance it out by giving consumers a chance to get out of debt.;;As of now, I'm putting aside just about 1/2 of my after-tax income to save up money in an account (not my own, as they have pursued several judgements on me) to make debt settlements with them.;;- Tell them and the credit reporting agencies to make it easy to determine how much principal was borrowed, how much interest was added, and how much fees (and of what types) was added.;;- Limit interest rates to a point that is not usurious (probably, no more than 20%, and definitely not more than 25% "In Pennsylvania... it is criminal usury to charge more than 25%.";;- Limit the number of over the limit and late payment fees;;- Create a better mechanism for deeply indebted customers to make equitable restitution;;You know what to do better than I, but these credit card companies are sucking the life out of millions of Americans.;;Sincerely,;Peter Bolden;Department of Defense

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National Credit Union Administration 12 CFR Part 7706

Marc DeCoste
428 E Dale St. #2
Colorado Springs CO 80903

**Comment on Proposal:
Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]**

I am so far into credit card debt now its not even funny. Until I lost my job in residential construction as a Sub-contractor, not because of work ethic but because the work just wasn't there anymore. I've found myself unable to pay my credit card debt. That obviously is the worst thing in the world for me. I have a mortgage that has to be paid or else I have no place to live. I'm a single man. .. and without the backup of the safety of a 2 income home, I just don't have the security of knowing for sure if my ability to pay will be there. Not to mention that 8 months ago I had over \$10k savings in the stock market that evaporated and because of having a margin account, Scottrade sold me out at the bottom of the market for stock i owned that was temporarily way down. Then trying to solve my out of money issues I erroneously bought an extremely high priced how to make big money program from Richdad.com that to date has been unfruitful to me.. although I believe the information learned at the seminars to be good.I haven't been making enough to pay my credit card debt and my home mortgage with my job not bringing home the income it once did. That said I now am facing a declining although once stellar credit score. and have no clear way to pay credit debt and mortgage and living costs now... so I choose to pay living expense and mortgage for now.. and deal with the redicu las fees on my unpaid \$40k plus credit debt when I can. I'm not saying I didn't make mistakes.. but credit card companies sure know how to kick you when your down.. and hard. If their is anyway to get back at the credit card companies thru legislative action please let me know.;;Thanks;Marc D.;;

APPENDIX to U.S. PIRG Comments Docket [R-1314], Appendix Page 25 of 25

The following consumers filed comments about unfair credit card practices on U.S. PIRG's Truthaboutcredit.org website and asked U.S. PIRG to send them to the Federal Reserve Board urging support for a strong final rule in

Docket [R-1314], Regulation AA - Unfair or Deceptive Acts or Practices

Also filed with

Office of Thrift Supervision Docket No. OTS-2008-0004

National Credit Union Administration 12 CFR Part 7706

Tim Sheehan
1374 Tolstoy Way
Riverside CA 92506

Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

Attn: Federal Reserve Board,;; I have a large balance on a Washington Mutual credit card. The interest rate was increased to over 30% annually and the company will not lower the interest rate despite calling them numerous times.; I spent the money and I want to payback the money, but it is ridiculous that they can change the rate at anytime.; Also the minimum payment increased from 2% to 4% of the balance which doubled my payment, along with the interest rate hike. ; Please stop in these practices. ;Thank you,
