

MAY 22 2008

To: Attached list

May 14, 2008

Subject: Proposed Rues to prohibit unfair practices regarding credit cards and overdrafts.

Dear Sir,

A recent newspaper article regarding your office's efforts to provide some sort of regulation to the credit card industry prompted me to send you this letter.

Attached are some common sense guide lines that your office should evaluated in your review and recommendations.

My biggest concern is not the widely publicized reports of how unfair credit card companies are, but the underlining impact of credit cards available to the general public.

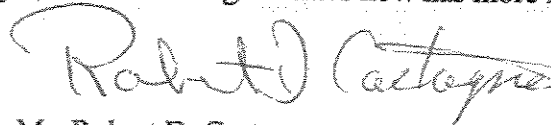
I firmly believe that credit card holders have a false senses of financial security.. The credit card industry will issue credit cards to almost anyone who applies for them.

As a result, credit card holders spend money that they do not have, can not pay back in a timely matter and purchase items that they can not afford.

This is a formula for impending financial disaster. Saving funds for future necessities purchases seemed to have gone out of the window.

I hope the attached suggested credit card guidelines now has more meaning.

Sincerely,



Mr. Robert D. Castagna
4 Birch Court
Blackwood, NJ 08012-4301
1-856-227-6639
email rcast511336@msn.com

cc: Michelle Singleyary
Attachments:

ADDRESSEE:

1. BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
MAIL STOP 300
20TH STREET & CONSTITUTION AVENUE NW
WASHINGTON DC 20551
2. OFFICE OF THRIFT SUPERVISION
1700 C STREET NW
WASHINGTON DC 20552
3. NATION CREDIT UNION ADMINISTRATION
1775 DUKE STREET
ALEXANDRIA, VA 22314-3428

5-14-08

COLUMN PREVIEW

New credit card provisions up for public comment

When the Federal Reserve, the Office of Thrift Supervision and the National Credit Union Administration recently proposed rules to prohibit unfair practices regarding credit cards and overdraft services, I had to laugh.

Are regulators only now realizing how unfair certain credit card practices are?

Michelle Singletary
Color of Money



Read the full column at
[courierpostonline.com](http://courierpostonline.com/workandsave)
[/workandsave](http://workandsave)



I urge you to weigh in on the matter.

You can do so by sending your comments to any of the three regulators.

There's a 75-day window for public comment.

The following guidelines should be mandated by law to protect both the credit card companies and the consumer.

Credit card companies loan money out to consumers for a fair profit. The credit card companies need a level of protection that the loaned out funds and the anticipated profits are not jeopardized nor loss.

The consumer needs to know the conditions of the loan and how to financially utilize a credit card without extending themselves.

Credit cards provide a false sense of financial security to a consumer by fostering spending of funds that may they not be able or can not pay back according to the conditions of the loan.

The following guidelines should be included in the congressional mandates in the formulation of the so called "Credit Card Bill of Rights".

CREDIT CARD COMPANY RESPONSIBILITIES

1. Provide in layman's English the complete CC program including details of intro , special offers and terms and conditions.
2. Interest, fee rates to be in accordance with previously established "Usury "rates.
3. Offer Credit Cards with more than a \$500.00 line-of-credit only to those individuals who can show an income and/or an ability to repay the loans.
4. Offer CC with a max line of credit of only \$500.00 to anyone else of legal age.
5. Allow no co-signers of Credit Cards
6. Allow a 30 day grace period before an account is deemed delinquent and late charges are applied.
7. When an account becomes delinquent, the CC is automatically suspended until the entire balance is paid up.
8. Suspended CC will not incur any "Over-the-limit charges or increased of rate-of-interest charges.
9. Credit Card Companies will not accept any CC charges over the CC line-of-credit.

10. Do not automatically increase anyone's line of Credit without their written approval.
11. If an account is being sold to a collection agency the complete details of the transaction needs to be made available to the CC holder and an acknowledgement must be made by the CC holder. An account can only be sold after an account has refused or did not respond to a written settlement offer.
12. Any amount of funds discounted to the CC holder, when settling the account, that are not directly related to the actual use of the funds and the initial agreed upon interest rate will not be included in the issuance of a 1099 form.
13. The minimum amount of monthly payments (without interest or fee charges) to be made on a credit card has to equal the total balance payoff within a four (4) month period

CREDIT CARD HOLDER RESPONSIBILITIES

1. Review and approve and check-off and sign-off on Credit card company's program and terms and conditions.
2. Inform credit card company of any substantial reduced change in income
3. Request a maximum line of credit (or less) that can be paid off within a four (4) month period..
4. Make monthly CC payments on time by allowing at least 7 days for mailing..
5. Do not allow anyone but the credit card holder to use the credit card.
6. Do not co-sign for anyone else applying for the a credit card.
6. Put in writing any disputes about the credit card charges.
7. Pay off delinquent accounts balance in their entirety.

Robert D. Castagna May 11, 2008
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