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Submitter Information

Name: Michael Gresty
Address:
New York, NY, 10025
Email: michaelgresty@inbox.com

General Comment

I strongly support the proposed rules to restrict abusive fees and interest rate changes.

It is worth observing that most banks and card companies charge overlimit fees for each overlimit transaction that they permit, whether it is \$1 or \$200.

I have had the experience of an unauthorized charge putting my card overlimit, and then triggering a multiple fees for small transactions over a weekend. It took two weeks to reverse the charge and several calls to the bank to reverse 8 x \$35 in fees, for no more than a few hundred dollars in purchases. I believe I was fortunate in this case to be able to resolve the issue quickly. Had I been at fault in this instance, the \$280 in fees would have far exceeded the value of the purchases made, no matter how long the account was in overdraft.

To put the fee issue in perspective, if a credit card holder goes a dollar overlimit for one day, they will trigger a \$35 fee, which, when annualized, is the equivalent of %1,277,500 interest for that 24 hour loan. That is absurd.

Regarding interest rates, I can understand the logic of raising rates on delinquent or risky accounts, but the levels to which these are sometimes raised (>29%) seem to me to increase the risk of default. The fact that is it very hard

to get the rates down even after improvements in the customers risk profile, or several on time payments, seems wrong and misguided. I would recommend that (1) a cap be set on the top rate, say 15% at most (2) llimits be set on the way in which rates increase, perhaps in a stepwise 0.5% increase month to month while the risk persists and (3) regular, on-time and more-than-minimum payments should all trigger rate reductions in a similar stepwise fashion down to the original rate.