From: Jason Wong

Subject: Truth in Lending

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Proposal:	Regulation Z - Truth In Lending
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Comments:

@@@Regarding Q26:
15 days notice regarding rate changes is an inadequate period. 30-60 days is a better time frame to give consumers time to decide what they are going to do with the balance on their credit line. When you originally take on a credit card because the interest rate is 5.9% fixed, NOT an introductory rate, and you get a notice in the mail that they are raising the interest rate across the board to prime + 11.99%, (thank you MBNA)you really need time to figure out what to do with the balance, as the interest you are going to be paying is now 3X the amount you have been paying. For some people that is a big deal.

Regarding Q45
Since a convenience check is just a medium used to facilitate a transaction tied to the open end credit, it should have the same protection afforded as using the credit card itself. If broken down to its simplistic terms any transaction is a one time event, whether it be by credit card or convenience check. It doesn't matter how the transaction takes place it is the ability to pay down the credit line and reuse it that is the heart of the matter. If i buy ice cream and use my credit card, that portion of my credit line is unusable until it is paid off in which case i can reuse it to buy more ice cream, same as if i use a convenience check. Once my balance is paid down, i get more convenience checks in the mail that i can use to buy ice cream again.

Regarding Q56:
I think something should be done on how credit companies can sell a product with certain attributes, and then just arbitrarily change those attributes in any way they deem fit. For example, changing a fixed -NOT intro rate- over 10% in one month is a bit excess. However is borrowers default on their payments some sort of rate change is probably reasonable, but when you have made your payments in a timely manner since you acquired the line of credit, it doesn't seem fair that they can raise them that much that quick. Maybe some sort of legistation on how much creditors can just arbitrarily raise their rates for good standing customer - possibly tied to the increase in the Prime rate or Fed funds rate and/or a required disclosure on how much they can

change your periodic rate in a 12 month period; and/or a rate ceiling in which the rate cannot exceed (assuming you do not default on any payments, or have not been late more than a few times over a 2-3year period). The reason being is not to hinder business, but to promote stability with a consumer's credit score. For example, if my rate goes up 10% in a month (thank you MBNA) i now have to move that balance to a creditor with a more reasonable rate which may or may not require me to seek a new creditor and open a new account which will show up on my credit report. After the balance is transferred, i want to obviously close that credit card for several reason, the most compelling are: i now will never due business with a company that runs their business like that, to avoid possible credit fraud, and because my credit scores may negatively be affected if i carry too many accounts with high credit limits. A majore problem can arise if that credit line had been opened for a while and had the longest history of any trade line on your account. As we know your credit score is basically a rating of your credit history, and if you close your most historic account your credit score suffers.
If you truly want borrowers to be able to evaluate an open ended line of credit than rate adjustment and ceiling disclosures would help consumers choose a better solution for their needs.

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