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Comments:

The Federal Reserve Board is to be commended for taking action regarding improving credit card disclosure. Any action to make the terms and conditions of credit card easier to read and more understandable will improve consumer protection. In general, we applaud the words of Governor Randall S. Kroszner who observed in his May 23, 2007 remarks at the George Washington School of Business, Financial Services Research Program Policy Forum, "Better credit disclosure permits better informed credit decisions and, hence, more effective competition among credit card issuers." More information is always better so long as that information is clear and simple enough to be helpful in aiding consumers make good decisions. The Memphis Debt Collaborative, a collaboration of 140 nonprofits, public agencies and financial institutions concerned with credit and debt issues in the Memphis region, is fully supportive of the FED's proposed rules regarding credit card disclosures and the proposed extension of the timeframe from 15 days to 45 days for notification to consumers of rate increases. Schumer box disclosures are great. Clarification of the term "fixed" interest rate is long past due; moreover, the exact duration of the fixed interest rate must be specified and under what circumstances the stated interest rate will change. It would be very helpful if consumers were given information about what action they can take in the event that their rate increases. Better clarity, more disclosure, more user friendly information in credit card disclosures, advertisements and solicitations is welcomed. Disclosure does not end egregious practices. Credit card companies have demonstrated an inability to self-regulate, and heightened regulation will be necessary to curb the most egregious practices. Does it really matter that credit card companies TELL you about "universal default" clauses? Does it matter when they tell you that your payments will be applied to the lowest interest credit first? Is it reasonable to charge consumers who pay bills at the last minute over the phone or on the net in order to avoid late payment charges? Is it good business practice to

solicit new credit card customers from persons who are frail, elderly and have limited incomes or who have been recent bankruptcy filers or who may be college students without verifiable income? What other lines of business permit one-sided, overreaching, non-negotiable contracts of adhesion? Decreased availability of credit is preferable to credit when only offered with abusive terms. The FED should just as strenuously support consumers from the adverse impacts of credit terms and conditions as it supports credit ors in their efforts to bring new products to market. Bad credit terms and conditions are not responsible business practices, are not equitable and fall heaviest on those least able to pay but who most depend on the availability of credit. More disclosure is fine but mere disclosure is not enough.