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Subject: Truth in Lending

Something needs to be done with the credit card industry and their ability to arbitrarily raise your credit card rate. I do have three credit cards with high balances but have been paying them faithfully each month on a timely basis. About 4 months ago I got a notice in the mail from Chase Bank indicating that they were raising my rate to 32% interest from an already high rate of 14%. When I called and inquired as to the reason for the rate increase they indicated that I have a lot of credit out there and they wanted to be secure in the repayment of the money. I advised them that I had not been late with my payment and that in fact Chase had increased my credit line a few months prior to the notice of the rate increase. Just yesterday, Discover Card sent me two letters in the mail. The first letter was a Great news we have increased your credit line. The other letter was in the form of a type of flyer which I would not have ordinarily opened up assuming it was some kind of promotional garbage. But I did open it and it was a rate increase letter informing me that my rate was going to be raised to 19.99% starting in November. I have never, ever been late with a Discover Card payment and in fact have not used the credit card in several months in order to try and pay it down. I know that when I call to inquire about the rate increase their response will be too much credit out there in my name. How in the world can they increase my line and raise my rate in the same breath. How is doubling my interest rates on my credit cards going to make it easier for me to pay back my credit card debt. They are putting undue pressure on me to be able to make the minimum payment now. what the credit card companies are forcing people into is either bankruptcy and then they do not get paid or forcing me to contact a consolidation company and negotiate the balance to half its worth, either of which will ruin my credit. What am I to do? I am going along, making timely payments and now I am being put into a position of having trouble paying back the debt. They should not be allowed to follow these practices. You apply for a credit card, use the credit card, credit card company increases credit line and then they raise the rate to 32% That is a crime. I used the credit card and I expect to repay the debt but how in the world can I ever accomplish this if the credit card companies are allowed to charge such rates. Please help.

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