

**From:** "John McClain" <JMclain@HondaFCU.org> on 02/23/2005 03:22:16 PM

**Subject:** Truth in Lending

Dear Sir or Madam:

Currently there is nothing wrong with the Truth in Lending Act. The present argument that there is too much paper is ludicrous. The act as is gives a broad range of protections to American consumers. When borrowers are told they don't qualify for the best rate on a mortgage, they can turn to Truth in Lending rules. Disclosures are designed to show the consumer the truth. The problem arises when there's noncompliance. Consumers would be best off if nothing related to the Truth in Lending Act changes.

We are aware of credit card lobbies that are attempting to circumvent the system by slipping arbitration agreements in with their credit card agreements. Borrowers must go to arbitration to dispute charges from the lenders. These charges could cost as much as \$1000. No one will dispute a \$50 or \$100 charge if it will cost them \$1000. Consumers must be allowed to sue, or they will end up paying horrendous fees and wind up paying 30 percent credit card rates if the disclosure tactics are permitted to go unchallenged in court. These agreements, prohibiting class-action lawsuits are outside of the scope of the law, but are becoming accepted by federal courts.

Help to stamp out the current arbitration tactics of the credit card companies, and please leave the Truth and Lending Act in its present form.

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