

From: Richard Naff
Subject: Truth in Lending

Date: Mar 22, 2005

Proposal: Regulation Z - Truth In Lending
Document ID: R-1217
Press Release Date: 12/03/2004
Name: Richard Naff
Affiliation:
Category of
Affiliation:
Address1: 8117 Bay
Address2:
City: Frisco
State: TX
Country: UNITED STATES
Country Code: 840
Zip: 75035
PostalCode: n/a

Comments:

@@@One item that has weighed on my mind with credit card pricing is an issuer's right to increase rates when they see anything "they don't like" on a credit report, such as a late payment with another creditor. I agree that issuers must protect their principle, and behavior such as a late payment, may--may--indicate a financial loss in the making. However, unless a late payment is a chronic behavior, such action is hardly indicative of credit risk to an issuer when the customer has not been late with that particular issuer. At worst, I think a credit card issuer should be able to freeze or even reduce credit lines (but not so as to cause "over credit limit fees" on current balances), and perhaps limit the amount of purchases. At a stretch, when there is simply too odd late payment to come from other creditor, an issuer might be able to suspend charging privileges for six months. But by no means should an issuer be able to raise rates--some doing so up to 30% and beyond--simply

because a customer missed a mortgage payment once in seven years...

IP: 207.13.31.149
User Agent: Mozilla/4.0 (compatible; MSIE 6.0;
Windows NT 5.1; SV1; .NET CLR 1.1.4322)