

**From:** Thomas Sobczak

**Subject:** Truth in Lending

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Proposal: Regulation Z - Truth In Lending  
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Comments:

@@@(1) the format of open-end credit disclosures;

Disclosures should be in plain English, not legalese, in large type and short paragraphs. "Legalese", small type and lengthy passages deter all but the most diligent from reading and fully understanding their rights and responsibilities under the law.

(2) the content of the disclosures;

All lenders should be required to comply with a one-page format standard that includes, but is not limited to individual offering credit interest rates (i.e. credit purchases, cash advance, et. al.), accrued interest, finance charge, total amount due, minimum amount due, grace period date, due date.

A disclaimer should be placed prominently if the lender/institution counts the "due date" as the date the lender/institution posts the payment and not the date the lender/institution receives the payment. Current practices can be deceptive.

Warnings should be placed on solicitations informing consumers that each review of their credit by a financial/lending institution negatively impacts their credit score. This is the "dirty little secret" of the industry and can hurt consumers who are unaware of the practice as well as be used to deter consumers from shopping for the best rates.

(3) the substantive protections provided under the regulation.

Solicitors/Financial Institutions should be required to provide a response form and return envelope to facilitate the acceptance or rejection of account changes proposed by the lender. Most people do not understand how or will not take the time to reject account changes by their lender. The onus of labor and time required to respond should be on the lender, not the lende. Additionally, proposed account changes should be limited to one instance per calendar year. Currently, lenders can change account parameters at will.

Lenders/institutions should be directed to decline attempted purchases that

put the consumer over their credit limit. The current credit limit practice is only used to add a financial burden to the consumer and not in the consumers best interest. Current technology would allow this to be implemented quickly and easily. It is unfair and burdensome to expect consumers to know the exeact amount of their available credit before each purchase. Although the consumer has the ability to call the lender/institution to ascertain the current balance, the amount of time necessary to accomplish this task is onerous. Additionally, finance charges accrued should allow the consumer a one month grace period to comply with their account's credit limit if the application of the finance charge puts the consumer's account over said limit.

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