

Edward Tesler, Ph.D.

Ms Jennifer J. Johnson,
Secretary,
Board of Governors,,
Federal Reserve System,
20th St and Constitution Ave., N W
Washington, DC 20551

Re: Docket No. R-1286

Dear Ms Johnson::

Credit card issuers should consider me the least profitable customer, for I never was late in my payments and pay no interest whatsoever on purchases. Nevertheless, I am showered by "preapproved" card offers. Since it proves that the industry does expect enough profit from financially responsible customers like myself, the emphasis of regulations currently under consideration should be on guiding it toward them and away from less responsible ones. Then there would be less need for various fees and interest increases to recoup the losses caused by the latter. In particular, I would suggest:

- special incentives to both issuers and customers to set up direct monthly payments from bank or brokerage accounts. A form for such "Autopay" should be part of any credit card offer

- incentives for employers to set up, at the employee's request, regular direct payments to credit card issuers, either from paychecks or via credit savings accounts similar to medical savings accounts.

- preferential treatment of responsible customers say, high or no credit limit, low-interest long-term balance transfers, bonuses, whatever

- introducing credit card issuer's "score" calculated as an average credit score of all its customers and published on monthly statements and new card offers. It would help financially responsible customers to rank the issuers and avoid those catering mainly to subprime ones, where more mistreatment can be expected. Also, the issuer would be less likely to seek low-score customers who would reduce its score

All of that, of course, should be voluntary; recommended, but not regulated by Big Brother

Sincerely,

Edward Tesler

Edward Tesler
June 16, 2007