

From: Liza Hall <ideagirl1@yahoo.com> on 06/17/2007 11:00:03 PM

Subject: Truth in Lending

Dear Mr. Bernanke,

Kudos to you for initiating credit card reform. Here's a suggestion for another important reform: when a consumer makes a payment to their credit card, the credit card issuer should be required to recognize that payment as a payment. Sounds simple, but apparently it's not. Here's what just happened to me with a Bank of America credit card:

- 1) May 4: I made an online payment of \$225 (about double my usual minimum payment). This payment was due May 13; I paid early, as usual.
- 2) May 18: I made my June payment online, in the amount of \$500... or so I thought. This payment was due June 12. I paid early to avoid racking up more interest than necessary.
- 4) June 13: Bank of America whacks me with a \$39 "late payment" fee and jacks my interest rate up due to the supposed lateness of my June payment. The "minimum payment" due June 12 was \$123, but somehow my \$500 payment on May 18 didn't count towards that.

I noticed this late payment when I went to the Bank of America website to check my outstanding balance. I immediately called them up to ask how on earth they could count my June payment as "late" when the payment was made three weeks before the due date. They explained that their policy is that payments have to be made not only before the due date, but within the two and a half weeks preceding the due date. In other words, if you make a payment TOO early, they won't count it as an early payment; they will just count it as an attempt to lower your credit card balance. They told me this was part of the fine print of my credit card agreement. Apparently, their fine print obligates me to rack up interest for the first half of every month; if I pay my bill more than about two and a half weeks in advance (the exact length of time changes each month), it won't count as my next payment.

This is crazy. I can understand them allocating payments to past-due amounts, for example; if my May payment had been late, and my May 18th payment had not been enough to both pay the past due amount AND pay the amount due in June, then I could understand why they counted my payment as late. But a credit-card holder in good standing who makes a payment early should not be penalized with a \$39 fee and a sudden increase in the interest rate. A payment is a payment. It should count as a payment!

Thanks,

Liza Hall

