

From: "Jim Strebing" <jim.strebing@johnstown.net> on 10/01/2007 11:21:38 AM

Subject: Truth in Lending

RE: Docket No. R-1286 credit card companies and their abuse.

Since the Federal Reserve is taking comments on credit card companies, I'd like to point out some of their abuses over the year.

We carry credit card debt, much of it accumulated from trying to establish businesses and used as capital to renovate houses. We have never been late on a payment or overdrawn a credit line, yet have endured all of the following:

Had 'fixed' rates raised without cause.

Had rates increased (doubled or tripled) due to unexplained occurrences "from information we've gathered" Gathered from where? What did you hear? Have anything in writing to back up what you're saying?

Had interest rates raised with 15 days notice.

Had less than 30 day billing cycles on purchases. If there is a grace period why not 30 days?

Been charged \$40 late fees and has interest rates more than triple for payments being processed 1 day after due date.

Been charged \$15 for making payments via phone.

The credit card industry has degenerated into an unscrupulous, unregulated industry.

To make matters worse, the state legislatures who traditionally have stepped in to enforce usury laws are competing with themselves to attract credit card processing centers and the jobs they attract. At this point there is no legislative body to protect consumer interests. The only options that consumers have is to open more credit cards and transfer balances or use personal loans or home equity loans to consolidate debt. This is an undesirable result generated by credit card issuers simply because they use fine print to generate unreasonable interest rates and fees.

I urge the Federal Reserve to step in and regulate this industry. Things I'd like to see: Fees that are reasonable and more in line with actual costs associated with the event that triggered the fee.

Only allow changes to terms when the card expires. "Fixed" rates should mean "fixed".

Charge late fees when payment is 30 days late, not 15 minutes.

Make credit card issuers explain why they are raising rates. An explanation seems in order and is not unreasonable to ask. If a person has good enough credit for them to issue a card, why punish them later when things have 'changed' if they can't quantify it? What has changed? Did they use the credit card they issued?

Thank you for your time.

James Strebing