From: fcorrea@commercebankfl.com on 10/01/2007 11:55:04 AM

Subject: Truth in Lending

Hope this helps.

I am a Consumer Banker and during 24 yrs of Banking experience my career has included responsibilities as a Credit Card fraud investigator, an issuer of Cards and currently as the Manager of a Consumer Lending Department that reviews Card applications and other Consumer products for approval.

Over the years I have been part of several teams that designed all types of Consumer programs that made large profits for my employers and never resorted to the tricks present in todays Credit Card market.

Many Credit Card offers are nothing more than deceptive, predatory lending practices that would not be tolerated in any other Consumer Credit Product.

Some key practices that are blatant abuses are:

- If it says fixed it should mean fixed. I can't change rates on Consumer Loans I offer and as a Consumer I can't change the terms of a CCard with the issuing Bank. They should not be able to change the "fixed rate" ever. If issuers can change terms the Consumer should be able to change the terms of the agreement as well...

A contract is a contract and if you entice Consumers to sign by offering a "fixed rate" that is not really "fixed" , you are guilty of deceptive practices.

- Credit Card issuer should not be allowed to raise Consumer's rates because the Consumer has been late with **another creditor.** I am a lender and I can tell you that Credit Reports contain errors of one type or another in a high percentage of cases. Not all errors are payment record related but enough are and that by itself is enough to prevent this practice. The fact that a Consumer is reported late by another Creditor is not a valid reason to penalize the Consumer with higher rates. If a Consumer pays a you late there is an additional risk which can justify a higher rate but if they pay someone else late it has nothing to do with the issuer's account and should not be allowed. This is nothing more than a "tactic".
- If a Consumer calls in to make a **payment by phone** on the actual payment due date of the and the Bank does not process the payment because it is after 2:00pm or the bank's internal transaction cut-off time, the bank cannot be allowed to charge a late fee or raise rates because the Consumer was **"late"** with the payment. If the Consumer calls and makes a payment **"by-phone" by the due date** regardless of the time of day and the Credit Card issuing Bank does not get paid until the next day due to it's own payment processing inefficiencies the Consumer should not suffer due to poor planning on the part of the Bank. If they need 24 hours to process a "phone payment" in this day and age with instant communication, there is a perfect incentive for the institution to update its IT systems.
- The minimum payment calculation is an issue that can fill volumes. No easy answer here but allowing interest to accrue on top of interest...is not a good thing for Consumers.

It is entirely possible to produce good quality loans and Credit Card programs while offering Credit to the highest number of applicants and furthermore, to do so while following not just the letter of the regulations but also the "spirit" of the laws.

The Consumer Compliance Handbook maybe a bit more to read than most Bankers might want to tackle but it is well worth reading and learning it.

Our Industry is suffering now (finacially and image wise) due to the sub-prime mess and the mentality that brought us that problem is the same type of thinking that helped to create the sneaky Credit Card programs.

We Bankers are entrusted with other people's hard earned money. We need to conduct ourselves in a manner that not only *appears* to be honest but actually **is** honest.

It is critical that Bankers everywhere understand that we must provide a service to our customers and community in a fair and decent manner.

The standard must be higher than the current breed of Credit Card programs.

all the best to you , keep up the good work and good luck !

Frank Correa
Vice President
Consumer Lending Manager

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