

From: "Damean Rosemore" <Damean.rosemore@amitytech.com> on 10/01/2007 01:50:02 PM

Subject: Truth in Lending

Rate changes need to have a 45 day grace period, not 15 days and the wording should say "your rate has changed because of these reasons". It should not say something generic like our policy has changed and you must read through this fine print and mail us your reason while it should not change. If the change is because of me, it should say why. If it is a company wide change that does not affect my current situation, then it should say so.

These issues also need to be addressed.

4 foul plays

None of those principles sounds all that drastic, but the devil will be in the details. You can expect a big push to eliminate the following four "foul play" practices:

Universal default.

Under universal default, your credit card issuer would regularly cruise your credit reports and raise your rates if you were late with *another* creditor. So an error on your credit report, a misunderstanding over a hospital bill or even a traffic ticket (yes, those go to collections now, too) could result in fantastic rate increases on your card, even if you were up to date in your payments.

Interestingly, this once widespread practice is finally starting to wither. Citibank has publicly renounced it, and other issuers have more quietly followed suit. But an outright ban would prevent this nasty practice from rebounding once the congressional heat is off.

Deceptive billing cycles.

Most issuers play fair by using a single billing cycle to determine how much if any interest you pay on purchases. But some use practices, like double-cycle billing, that cause borrowers to essentially pay interest on charges they've already paid off.

Chase abandoned the practice earlier this year, saying it was "confusing" to consumers.

Anytime, any reason repricing.

The Fed's Regulation Z proposals, if adopted, would slow issuers' ability to change rates, fees and terms, but the card companies could still change the rules on a relative whim.

Forcing issuers to wait until a card expires (typically every two to four years) might impose some discipline.

Pay to pay.

Some issuers charge \$15 if you want to make a last-minute payment by phone or on the Web. Given how little these transactions actually cost to complete, the fees are egregious.

There is no need to respond back but if you do, I will answer any questions. Thank you.