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Subject: Truth in Lending

The credit card companies have become legal loan sharks, but at least with the loan sharks you know what you are signing up for. Convenience checks are sent to me periodically by my credit card companies. In huge type, they advertise the low interest rate for transferring balances or just using the checks right on the front of the checks. It is not made clear that the rate may never be the actual rate assigned once the check is written. I used a check for the first time to transfer a balance. I thought that as long as I made my monthly payments the 4.99% rate would remain as what is offered. This was not the case. Because I had been late on the regular card charge payment, they immediately jacked up the interest rate to 29.99%, almost seven times the offered rate. I never experienced the offered rate. I told them that I would never have used the check if this rule was clear. Numerous calls of usury and false advertising all led to "sorry, but these are the rules". So my balance transfer to lower my interest rate ended up raising it with no recourse to me to get out of it. They told me that they do not offer convenience checks to accounts that are not up to date on their payments. When asked why I was sent the checks, they said it must have been just that the information from one department was not transferred to the other in a timely fashion. As I still get convenience checks occasionally, this is completely false. The credit card companies are hooking the consumer into high interest rates with misleading advertising and hidden rules.

Changes need to be made that will prevent the credit card companies from being able to mislead the consumer and become legal loan sharks.

Thank you,
Peter

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