Date:	Oct 01, 2007
Proposal:	Regulation Z - Truth in Lending
Document ID:	R-1286
Document Version:	1
Release Date:	05/23/2007
Name:	Thomas Dravecz
Affiliation:	
Category of Affiliation:	Other
Address:	
City:	Sicklerville
State:	NJ
Country:	UNITED STATES
Zip:	08081
PostalCode:	08081

Comments:
About 5 years ago, my wife and I each had 3 credit cards, with $15,000 credit limit for each card, all by citi-bank branded under names such a AT*T, citi-bank, and 1 other I can't recall. We owned (and still do) our home, and had excellent credit. One of our cards was at about a $14,000 balance, with a 2.9% for life interest rate... unfortunately our payment arrived late, and our rate instantly went from 2.9% to 27.9%. This one event caused our credit to seriously suffer, as we could not maintain payments on the other cards. Eventually we agreed to pay less than full, and of course used other financing to pay for this "pay off". When tax-time came around, we had to pay additional "tax" on income, we really never received. Fortunately, I was able to refinance our home, and use the equity to pay everyone off. Of course.. I am still paying for this, as a 2nd mortgage. It's simply wrong for the credit card companies to destroy a persons life. If someone is unable to pay $100 (15 interest + 85 principle), what makes them think that if they raise it to $300 (295 interest + 5 principle), they'll pay better? Again, the poor people are hurt the most. Interest rates on credit cards / loans should be restricted to no more than 20%, or maybe 24% at the most. At 24%+ as is common today... one could do better finding a real loan shark. Their terms may be easier to read.