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Fair play: reporting your missteps to credit bureaus. Foul play: reporting half-truths. The credit reporting system in the United States has some serious flaws. Creditors wield too much power, and it's too hard for consumers to fix mistakes. But overall, the system has succeeded in making credit more widely available, which is a boon to savvy consumers. If you get credit and use it responsibly, you can build a credit history that allows you to get the loans you need to buy a home, build a business or accomplish other goals. What irks me, though, are lenders that deliberately make their customers look like worse credit risks than they are. Some of the worst offenders are issuers that don't report their customers' on-time payment records at all. Next on the list are those that don't report their customers' credit limits, like Capital One. When a lender doesn't report a customer's credit limit, the bureaus typically use the "highest balance charged" as a proxy for the limit. The problem comes when borrowers charge about the same amount each month. Here's how it works: If you use \$300 of a \$1,000 limit that's properly reported, the all-important credit-scoring formulas figure your "credit utilization" at 30%, and that's good. If your limit isn't reported and the highest balance you

ever had was \$300, it looks like you're using 100% of your available credit -- and that's bad. It makes sense not to report a credit limit when a card has no preset spending limit, as is the case with many American Express cards. But folks that have those types of cards tend to have pretty good credit to begin with, so the lack of an accurate credit limit on one account isn't likely to hurt much. The people who really get crunched are the people with short or troubled credit histories who are trying to do things right but are unknowingly being penalized by their credit issuers' practices. Your best moves: If your issuer isn't properly listing your credit limits, you can request that they do so. If your issuer is Capital One, though, you're out of luck. You can either charge up a big balance to reset your "highest balance charged" or switch to another card issuer.