

Subject: Regulation AA

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Comments:

I believe that regulation of bank as credit card issuers and networks such as VISA and MC need tighter regulation than is currently required. However, BOTH must be regulated since the networks drive some of the fees and usury practices of the banks who issue the credit cards. The banks have created a situation where they lure people of limited means or limited intelligence into accepting a credit card and running up bills for stuff they could never pay for. They do this, of course, to generate income by getting these people into a position to where they can never pay off their balances and miss payments. This results in tremendous charges and fees by the banks in situations that most people with a credit card cannot even begin to understand. Why do banks issue cards to people who are not creditworthy? To make money of course. Do they care that these people may file bankruptcy? Of course not. They will pass bankruptcy losses on to customers who pay on time as part of "doing business". How could this be alleviated? Have regulations in place to stop issuing or soliciting credit cards to people who they know are good credit risks. Require that grossly overdone marketing of credit cards cease. Banks have been known to offer cards to dead people, babies

and dogs. Please be advised that the ploy used by the banks that customer fees will actually go up on customers in good standing, like me, to make up the difference in revenue is basically BS. Threats always seem to work with regulators. If ANYTHING changes on my credit card, like fees or ploys by banks, I will IMMEDIATELY cancel my credit cards. My FICO score may go down. Big deal. I put up with none of the crap that these corporations attempt to foist on people. The nuts and bolts of the fee/billing structure must be regulated. There are not enough "good customers" out there for banks to pass other fees on to make up for the loss on the bad ones. Any bank that attempts to jerk me around will have their credit cards canceled and returned postage paid. The bottomline on all of this is that yes they should be regulated regardless of their veiled threats to make other people's financial lives miserable. You may remember when Congress held meetings and threatened action on "universal default", a large portion of the banks changed their rules on it voluntarily to avoid outside regulation. Is there any reason to think this would be any different? No there is not. However, at some time, you cannot rely on self regulation. Do I have any sympathy for individuals who get credit cards and buy crap they can afford? No I do not. Those debts should not be discharged through bankruptcy. You bought, you pay for it, even if it takes you 30 years to do so. This would partly answer the banks practice of just passing on their usurious charges to "good customers". If you want a more serious implication, these same credit practices are what has resulted in the current mess in the mortgage industry.