

Subject: Regulation DD

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Comments:

ENTICING OFFERS: When I received enticing offers from Credit Card issuers that were far better than going to our bank for a small business [family retail] loan, I accepted their offers. Admittedly, I now realize that going to a bank would have had totally different results. Starting in the year 2000, competition, adverse spring weather and 9/11 impacted our cash flow. So when another credit card offer appeared encouraging me to transfer from one credit card with 10-12% rates to a new card with rates half of what I was paying, I accepted. **INCREASING INTEREST RATES:** Next I noticed that our rates were going up to 15+% when I had been diligently making required minimum payments or more. When I asked why the rate increase, the reason was that we had too many cards. I believe the bench mark was five (5) cards. Yet the credit card issuers were continually offering new cards. When it was certain that we had to move or go out of business, I chose to continue the 79 year old family retail business. We found a new location with 30% less rent and higher store visibility. So we maximized the mortgage on our home and moved our store from its 79 year location. **SECURING FUNDS FOR SETTLEMENTS:** One of the conditions of the bank loan set

funds aside to be used exclusively to settle credit card balances comprized mostly of interest and excessive fees. NEGOTIATING: I negotiated settlements with 8 credit cards issuers. There are 3 remaining and are starting to go through arbitration. SETTLEMENTS: Two of the cards I settled were Citibank. One of the 3 remaining credit cards now in arbitration is Citibank and they claim that they have never settled for less than 70%. This is not true. One cannot believe what the credit card people or their representatives say.

HARRASING: I have been called evenings and Sundays at home, subjected to computer generated calls. I have been accused of not being honest. I was told our account would be taken "into the big room" within the hour Within 50 minutes another call came in and all the caller said was 10, 9, 8, 7, 6, the clock is ticking down and then hung up. They have told me our home will be taken away, wages garnisheed, checking account seized. It has been a self-confidence shaking experience. GOTCHA: Credit card companies want card holders to be late, to miss payments, etc. so they can assess their excessive fees as that has become a major revenue source. Yes, they say you can pay up and get out, but they already have you between a rock and a hard spot. And if you don't "pay up in full" because you can't, that implies that you accept their new contract with huge rates, penalties/fees. A recent book calls it "Gotcha Capitalism".