

From: "Dan Keller" <Dan.Keller@digimarc.com> on 07/24/2008 09:35:03 AM

Subject: Regulation AA

As a citizen of the United States and a heavy user of the credit system I would like you to consider the following when drafting your regulations pertinent to the following subjects.

1. Double cycle billing resulting in two months charges for one months balance. Interest calculations are a straightforward and well known result of common formulas. No interest can be argued as legitimate on balances in periods of time where balances do not exist. This is unfair.
2. Retroactive re-pricing for reasons other than paying late. We live in a complex society and errors are made, a credit card company should not be able to alter the terms of agreements with them unless agreements with them specifically are broken. The results of broken agreements should be specifically laid out.
3. Arbitrary due times – for instance, payment arrival after a certain time on a due date but still on the due date. Most interest calculations do not take into account the time of day and this includes credit cards. If a payment were made on any day prior to the due date, there would not be a credit of 12 hours interest for paying by noon versus midnight. Therefore, the arbitrary due time is a fraud on the consumer.
4. Unfair payment allocation. These terms are spelled out in the agreement, normally a result of a balance transfer offer. They are useful for the consumer to be able to reduce interest to ridiculously low rates and the credit card company to market services. I do not see a problem with this, ignorance on the part of credit consumers in racking up charges with higher interest rates is not a cause to disrupt a service that is spelled out in black and white and has potential and likely normally experienced, extensive benefits.
5. Mandatory bounce protection. No consumer should be forced to subscribe to features that are dubbed as protection and result in fees. That's just plain crazy.
6. Overdraft fees based on holds. The money exists in the account, it isn't costing anyone anything. There is no overdraft and therefore this is at least close to being fraud. On another note, I rarely use debit cards due to the lack of protections and direct ties to my bank account. I believe that it is probably that most consumers who do use them frequently are less financially affluent than those who use credit cards, and therefore, need at least the level of protection afforded credit card users particularly since they immediately and directly affect the consumers likely only bank account. I am not personally a victim of such practices but I can easily see the potential for extensive damage to the poor or lower classes and I firmly believe this should not be allowed to occur. I also believe that debit cards should carry at least the same levels of protections as when using checks, if not actual credit cards.