

From: Ken Haas <kenhaas@UDel.Edu> on 07/31/2008 11:20:03 PM

Subject: Regulation AA

I have three complaints about banks' credit card practices: (1) A specific complaint about Bank of America--Six months ago, I attempted to cancel two of my three credit cards with Bank of America. I called and explained that I never requested the two cards that I wanted to drop, never used them, and that it was problematic and risky to have two credit cards in my name that I didn't know about. I was assured the two cards would be canceled. This week, I received a mailing about changes to BOTH CARDS. I called tonight and was told that the cancellations did not go through because of a "computer glitch." The failure to complete my cancellation request left me a potential target for credit card identity theft for six months. And how can anyone be absolutely certain that these banks really will close credit card accounts when requested by consumers to do so? (2) Why do many credit card companies send payment envelopes with holes in the envelope that are not lined up properly to display their payment address? If the part of the payment form the consumer sends along with his or her check shifts, even just a little, the payment address is fully or partially obscured. This almost certainly is intentional. This practice ensures that a certain number of payments will be lost or delayed, thus allowing the company to assess "late" fees and to increase the card's interest rate. I always tape the payment receipt inside the payment envelope to prevent this. How many innocent but unwary consumers are victims of this tactic every year? This is unacceptable. A child could design an envelope in which the address will be fully displayed despite any shifting of the payment receipt. For that matter, why not simply send "holeless" payment envelopes that have the bank's correct payment address? (3) Many credit card customers simply are not giving their customers a reasonable amount of time to pay their monthly bills. For example, my Chase Bank credit card typically arrives and gives me only 10 days to get my payment to them. I want to keep track of and pay my bills; I don't want to authorize automatic payment. But now if I take a short vacation, I have to arrange for a friend or relative to intercept and pay my bill. This is an unnecessary burden, and the unreasonably short payment time period is clearly designed to ensure a certain number of "late" payments. I hope the Fed will crack down on these kinds of sloppy, shoddy, predatory, and deceitful practices.--Ken Haas