

Subject: Regulation AA

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Proposal: Regulation AA - Unfair or Deceptive Acts or Practices

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From: Bruce Friedell **To:** comments@federalreserve.gov **Sent:**

Thursday, July 31, 2008 10:45 AM **Subject:** Comment on Proposal:

Regulation AA - Unfair or Deceptive Acts or Practices [R-1314]

7/31/2008 I fully support this proposal. Credit card companies have all sorts of deceptive practices and utilize them at will year after year. I have cards with Bank of America, Chase, Discover Card, Household, Capital One and Merrick Bank. I must say that Discover Card is the most respectable of all and provides a low fixed rate and has lived up to it for years. All of the others frequently change your agreement and you can do nothing about it. Your lucky if you can understand their agreements as they are written totally to confuse you. Seems that these credit companies change the agreements when the prime interest rates are not in their favor. Some now adjust their rate after a three month review of the Wall Street Published rate, so if it goes down you loose as there is no adjustment to a lower rate for three months. Also applying your payments to the lowest interest rates before allowing higher rates to be paid is a crime. They all subscribe to this practice. The only alternative to this is to pay your balance in full. I am a senior citizen, college graduate, worked and retired from the financial sector after 38 years and certainly know what is going

on. My Credit Score is Excellent currently 731, make more than minimum payments, never late and have never defaulted. I have credit lines that totally approach over \$100,000. The only reason I have a Merrick Bank Account is that I went through a rather costly divorce back in the 90's and took advantage of a sucker offer they made. Don't really carry a high balance with them or have a high credit line with them. Current Balance due to my recent monthly charges were about \$600.00 (Used the card for some expensive medical prescription charges and when I made some weekly grocery charges) . (Should have used the Discover Card). In yesterday's mail I received a letter from them that they are amending my agreement, and therefore increasing my monthly interest rate margin over prime to 20.95% effective 9/1/08. Obviously, this is because they are suffering with the current Wall Street indication of 5.00%. Well, I am paying off the balance in full but am not going to closing the account as it is good to have a long established relationship in your credit history. However, they will now have the nerve of billing me \$6.00 a month just to keep the account open. So be it, but this just shows you what a bottom feeder Merrick Bank is. I called Merrick and got a BS run around with no explanation whatever. Customer Service with Merrick is non-existent and their Reps just read from a published script. It basically is a take it or leave it. Well I am leaving it, but will pay their \$6.00 monthly charge. Overall, there needs to be great reform of these lenders as they take advantage whenever they can. They only apply payments to the lowest rates, Change agreements at will. Print agreements in fine print that anyone would need a magnifying glass to read not to say understand them. Certainly you need a legal or financial background to understand them. These creditors make big profits off these Credit Cards and abuse the poor individuals that have them. I certainly hope that you can clean up the unfair practices that they all use. Thank you for listening to me and I hope that you can do something about these creditors unfair practices. Sincerely, Bruce H. Friedell BHFriedell@msn.com