

Kathy Chuparkoff <kdchuparkoff@netscape.net> on 07/24/2008 10:50:07 AM

**Subject:** Regulation AA

Jul 24, 2008

Federal Reserve Board Email comments

Dear Email comments,

In the process of loosing his job, my son lost the ability to pay his credit card bills.

It's been 8 years. He's had his bank account automatically emptied by the companies. He doesn't even know how his bills swelled to \$30,000. The companies do not keep information on the bill in categories - how much you charged initially (the Principle), how much is accumulated Interest & Fees & Penalties.

While he doesn't want to declare bankruptcy as a matter of pride, he has lost everything and is now living at home with us. He has a part-time job. (Bad credit limits the types of jobs he can get.) If he knew how much he actually charged, versus interest, fees, and penalties he might be able to talk to his credit company. Instead, he avoids contact from them out of shame. Their attempts to collect are harsh.

As a means of avoiding bankruptcies, banks might consider letting people pay off the original total charge and let them set up a debit account instead as they rebuild their finances.

In the meantime, local banks do not let my son open a checking account. This further inhibits his ability to start over and improve his credit. With pay check in hand, he cannot open a checking account in an FDIC bank because of the bank's right to refuse service to people with poor credit, even though the banks' behavior towards him is part of the problem contributing to his inability to pay off his credit cards.

This cycle puts people out of the banking world and into the check cashing world of unregulated fees, further limiting their ability to pay their existing bills. This is the road to poverty.

All this does not include the fact that the credit card bank may have extended too much credit initially. When do they take the loss for a bad loan? Never.

The housing debacle and the credit card mess are two sides of the same

coin. Banks and credit companies need to understand their part in both crises. And the government needs to bail out consumers that have been misused by these companies while Congress failed to regulate in a timely manner.

For years my son has tried to pay off this debt, but interest increases, new penalties, and fees just keep moving the goal post. Please address these issues, especially the requirement for all FDIC banks to provide checking accounts to anyone with money to deposit.

And let all borrowers, not just those with a mortgage, know the total principal, interest, fees, and penalties in every monthly bill. And it would be worthwhile for banks to forget about collecting all the fees, penalties, and interest increases. I'm pretty certain that my son has his financial life in shambles eventhough he paid back the principle long ago.

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Sincerely,

Ms. Kathy Chuparkoff  
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