

Wanda Lopez <dreamcatcher514@hotmail.com> on 07/24/2008 11:50:08 AM

Subject: Regulation AA

To whom it may concern:

Throughout my life and in my experience with credit card companies, I have suffered the abuse of many credit card companies on double-cycle billing, unfair payment allocation, arbitrary due times, and other dubious practices that I will mention below.

I signed up for a special transfer balance offer with 1st National Bank of Omaha. Recently, they charged me a "late fee" for not complying with the minimum payment one month and this is what happened:

I sent a partial payment of the June minimum payment after May's due date, 5/28/08. If there is a payment due date for a month, obviously the next payment the bank receives should be applied to the following month, in this case June. No, they don't do that; they applied that partial payment as part of May's statement, which based on their own rules, was due already on 5/28. How in the world, a check dated June 1, 2008 and received by the bank in June 3rd, is "retroactively" applied to May AFTER the due date of the previous month's statement (5/28)??? That retroactively applied check belonged in June so, in essence, should not be considered late for me to have been charged a late fee of \$39.00; period! Then, of course, the retroactive payment screws up the June statement and causes my June minimum balance to look as if it wasn't covered... Banks have invented this **trap** of "closing date" (ten days after the previous month due date) and they arbitrarily apply every check received during that ten-day period to the previous month.

When I read the bank's rules in microscopic-size font of how they "want to receive payments," I was appalled!

This is the rule (portions highlighted in **bold** for emphasis):

"Payments are **credited as of the date received** if the payment is (1) received by us (First National Bank of Omaha (FNBO) or First Bankcard, a division of FNBO) no later than 11 am Monday thru Friday (except for holidays at P.O. Box 2557, Omaha, NE 68103-2557, (2) **paid with one check or one money order** drawn in the United States dollars on a bank located in the United States (**without multiple checks** or multiple money orders) and the full account number listed on the check or money order, (3) **sent in the enclosed return envelope (without any other outer envelope)**, and (4) **sent with only the top portion of this billing statement accompanying it (without the top portion of any other billing statement, any other portion of a billing statement** or any correspondence of any type). **If we accept a payment in any other form or at any other location there may be a delay in crediting your account up to five days, during which time interest will accrue and applicable fees will apply.**"

Banks shouldn't have the right to "hold" any payment received for a credit card just because it is a partial payment as of that date. A payment is a payment and some people may not have the full amount on a certain date. Consumers should not be limited to pay using just one way of payment but whenever they have funds available to cover their minimum payment even using multiple checks or money orders. People may have to travel (even for emergencies) going out of the country and cannot wait until the credit card company sends their billing statement, which by the way, sometimes is received 7 days before due date. This late billing poses the risk of consumers sending their payment too close to due date and banks receiving them "late" with the added excuse of mailing delays, which in fact it surely is the embellished practice of banks holding payments to show them received as late so they can charge a late fee.

First, **banks should credit any payment received on the date it was received** and only if, the minimum payment is not paid in full by the due date, then fees may be charged for not covering the full minimum payment. In this instance, they can also recalculate and add to the outstanding balance the accrued interest of the portion of the unpaid minimum payment. **Please STOP this ridiculous practice of banks in limiting consumers to pay in only certain ways.** If a consumer sends a negotiable

instrument to pay their outstanding debt, banks have to "honor" the negotiable instrument by crediting the consumer's account on the date the negotiable instrument was received.

Second, **banks should not be allowed to apply checks retroactively**, i.e.; a check dated in a given month to be applied to statements of prior month due to this obvious date-games banks play to charge fees to consumers arbitrarily.

Third, please **enforce banks to provide all their rules in easily readable normal font-size of 12 points**. The current microscopic font size is hard to read and clearly not conducive to honest communication to consumers.

Cordially,
Wanda Lopez

Use video conversation to talk face-to-face with Windows Live Messenger. [Get started.](#)