Subject: Regulation AA

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Name:	Maria Montalbano
Affiliation:	
Category of Affiliation:	
Address:	PMB 108 593 Blackwood Clementon Road
City:	Lindenwold
State:	NJ
Country:	UNITED STATES
Zip:	08021
PostalCode:	

Comments:

Changes have been long overdue. I've cancelled credit card accounts several times over the years because my interest rates would go up, even though I've paid on time and never gone over my credit limit. This just happened with an Advanta business credit card where my interest rate went from 8.99% to 34.99% in 9 months while I was under my credit limit, paying on time, and paying more than the minimum payment. This also happened without any written notice from Advanta that these changes were about to take place, and that I had the right to refuse these changes. I demanded answers from Advanta regarding what exactly was it about my credit history that caused my interest rates to increase (I am fully aware that they run my credit reports periodically to see what I've been doing with my other debts, and there were no changes whatsoever), only to receive evasive answers such as, "The changes in your interest rates were disclosed to you in the Changes of Terms that was mailed to you." Not only did I never receive this written notice, their answer was not related to my question, so I demanded again to learn what exactly was it about my credit history that caused my rates to increase so dramatically. After several more evasive answers, I was finally transferred to someone who again began to avoid answering my question until he realized that I was not going to allow him to continue to avoid the issue. At that point, all he would tell me was that the decision to raise my rates was "proprietory information" that could not be released to me. Through some research, I learned that credit card companies often skirt usury laws by headquartering in states where there are none. This seems to be the case for Advanta, which headquarters in Utah. It is obviously unfair to harm consumers this way, but it also shows the lack of creativity on the banks' part when they need to resort to these measures to make a profit. While these practices have been going on for many years, they will increase in magnitude because of the severe losses that the banks are going through right now as a result of the ripple effect from the problems that began with the subprime mortgages. If there has ever been a time to reign in this practice, it is now.