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Board of Governors
Secretary Jennifer J. Johnson
Federal Reserve System
20th St. and Constitution Ave., N.W.
Washington, D.C. 20551
RE: Docket No. R-1314

Dear Board of Governors:

Federal regulations will do more harm than good, because people need second chances. If companies like First Premier have to restrict how they apply their fees, they will not take the risk on subprime borrowers. Frankly, without access to credit, where would the average consumer be?

I accepted the First Premier card because I needed to rebuild my credit and it had a reasonable interest rate. My credit was damaged because of credit card debt and past due accounts that went into collections. I was so happy that Premier gave me a chance. I was recently pre-approved for another credit card, but it was twice the rate of First Premier's, so I turned them down.

Your credit standing affects your quality of life. As my credit improves, I hope to purchase a home within the next year. I know home ownership would not be an option if I was not able to repair my credit. Sometimes good intentions can have negative consequences, and so it is with Federal restrictions on this industry. We have the right to decide if we want to pay the fees on these cards or not. Just as I declined a line of credit from one company, others can do the same. Adding regulations on this industry may force those subprime companies to deny those of us they do not feel they can take a chance on. They need to charge those upfront fees to cover themselves in case of default. I am against regulating this industry because people need a chance to do better. Please reconsider how this will affect people who really need access to reliable sources of credit.

Thank you,

Beverly Mitchell