

3408 W Heritage Cove Dr.  
Saint Augustine, FL 32092  
(h) 904-940-4481, (m) 904-540-6163

Jamie Dimon  
Chairman of the Board, President, Chief Executive Officer  
JPMorgan Chase & Co.  
270 Park Avenue  
New York, NY 10017  
United States

Gordon Smith  
Chief Executive Officer - Card Services  
JPMorgan Chase & Co.  
270 Park Avenue  
New York, NY 10017  
United States

William Daley  
Director of Corporate Responsibility  
JPMorgan Chase & Co.  
270 Park Avenue  
New York, NY 10017  
United States

Saturday, August 2, 2008

Dear Mr. Dimon, Mr. Smith, Mr. Daley,

**Re: PREDATORY CREDIT CARD PRACTICES**

This letter is to inform you that your company is engaging in unfair, deceptive, and predatory credit card practices that now require intervention through proposed legislation such as the Credit Card Holder Bill of Rights put forth by Representative Carolyn Maloney to impose you to make the necessary adjustments to your policies. I am further disappointed at the Walt Disney Company for partnering with such a company that participates in such unethical practices by offering it's Disney Visa credit card through JP Morgan Chase.

I am currently a Chase Disney Visa credit card holder (among other cards). I am a very educated consumer with a suburb credit rating. I prefer utilizing credit cards over cash because I understand how to use them as a smart financial decision rather than a way to spend beyond my means. As such, I pay off my entire balances each month.

On occasion, I have opened up a credit card with a retailer when there was a special offer that allowed 0% interest (and sometimes no payments) for a period of time. Of course the point of these offers is to allow consumers to either make a purchase they can not yet afford or, in my case, allow the consumer to use the dollars that would have gone toward the purchase in a more financially appropriate way (investments or accumulate interest) until such time that promotional period is over.

For example, the Citibank Home Depot credit card. With this card I was able to purchase a washer and dryer for my new home and a few months later use the card for installation of plantation shutters. While I could have paid for these items directly, it was a smarter decision to hold on to my \$25,000 a little longer.

Having purchased the washer, dryer and shutters at different times and with them having different promotional deals, Citibank was smart as well as ethical about applying payments in the order that made the most sense for me, as a consumer. Higher interest rates first, and if two or more with same interest rate then apply to the balance that is due first based on promotional end date.

While your credit card company and Citibank may not get to reap benefits from my paying you late fees, interest and other miscellaneous fees, I know that you are still making money from my account since the companies where I spend money using your cards are still paying you a small fee for the convenience of allowing me to use these cards.

I share the Citibank Home Depot example because these folks have it right. I've also had similar experience when purchasing furniture over the years. In all these experiences, the credit card policies were smart enough to apply payment in the most logical manner from the consumer's point of view. In the rare occasion that there were default rules about how the payment would be applied, there was always an option to specify how to apply the payment by calling, writing, etc.

### **Your Unethical Credit Card Practice**

So imagine my surprise, yesterday, when I received my Chase Disney Visa credit card bill in the mail. I recently purchased a new car and after receiving your 'convenience checks' in the mail for some time, I thought I would take advantage of what seemed to be a great deal. I could write a check for \$9,000 for a fee of only \$50 with no interest for about 11 months. *Little did I realize that your policy is to apply payments to the balances with the lowest interest rate without an option for the consumer to specify how they want their payment to be applied.* Since I had also used the card that month for other purchases that totaled about \$300 at a 12% interest rate, **there was no way for me to make payment on the \$300 since any payment made would be first applied to the \$9,000 that had no interest rate.**

Why would any consumer want their payment to be applied to the lowest interest rate? And why can't one specify how the payment that they are making be applied? I know the technology exists to apply it in a different way, since you have no issue applying to lowest interest rate and all your competitors seem to have the technology to apply it in the most reasonable fashion.

I'm sure you believe that your "policy" of applying to the lowest interest rate balance is clearly outlined and something I should have been well aware of before utilizing the "convenience" check that has no become quite inconvenient. However, I challenge you that it is not clearly outlined. You may be able to get away with it legally because it's listed in the fine print somewhere but when you have a consumer such as myself that missed that print after reading through the details to specifically find a catch, then you have failed. I know I am not the only one who missed this fine print since when I called your Customer Service center and spoke to three different representatives/supervisors, they had the spiel so well rehearsed that they must have this conversation a hundred times a day with other callers who somehow missed that part of the documentation.

I am blessed to have the financial means to pay off your credit card and cancel it, assuming your policy still stands. However, I know there are many others that have probably been blindsided by this practice and do not have the financial means to do anything about it.

I sincerely hope that you will take another look at your company's policies and (even if you must have default rules that apply payments to the lowest interest rate balance) that you will give your customers the opportunity to be able to choose how to apply their own payments. I hope that you can make this decision on your own without being forced to once, God willing, the Credit Card Holders Bill of Rights is made into law. Until such time that you come to this obvious and fair conclusion, *I will make it my personal mission to ensure that others are aware of your abusive practices so they can make a sound decision to use other credit card companies for their purchases.*

As it relates to my specific situation, I would be interested in hearing from you at your earliest convenience in regards to rectifying my account by applying payments to the highest interest rate first.

Sincerely,

Valerie Winkler  
3408 W Heritage Cove Dr.  
Saint Augustine, FL 32092  
(h) 904-940-4481, (m) 904-540-6163

CC:

Tonya Aquino, Service Employees International Union  
1800 Massachusetts Avenue, NW  
Washington, DC 20036

Asm. Jonathan Bing  
360 East 57th Street, Mezzanine Level  
New York, New York 10022

President George W. Bush  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Senator Hillary Clinton  
780 Third Avenue, Suite 2601  
New York, New York 10017

Governor Charlie Crist  
State of Florida  
PL-05 The Capitol  
Tallahassee, FL 32399-0001

Chairman Michael E. Fryzel, National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Asm. Richard Gottfried  
242 West 27th Street  
New York, New York 10001

Senator Anthony Hill  
5600 New Kings Road, Suite 5  
Jacksonville, Florida 32209-3220

Robert Iger  
President, Chief Executive Officer, Director  
The Walt Disney Company  
500 South Buena Vista Street  
Burbank, CA 91521

Asm. Brian Kavanagh  
324 Legislative Office Building,  
New York 12248

Kathleen Keest, Center for Responsible Lending  
302 West Main Street  
Durham, NC 27701

Jeannine Kenney, Consumers Union  
101 Truman Avenue  
Yonkers, NY 10703-1057

Representative Dick Kravitz  
155 Blanding Boulevard, Suite 10  
Orange Park, Florida 32073-2624

Senator Liz Krueger  
211 East 43rd Street, Suite 1300  
New York, New York 10017

Representative Carolyn Maloney  
1651 Third Avenue, #311  
New York, New York 10128

Senator Mel Martinez  
1650 Prudential Drive, Suite 220  
Jacksonville, Florida 32207

Kevin Mayer  
Executive Vice President - Corporate Strategy, Business Development and Technology  
The Walt Disney Company  
500 South Buena Vista Street  
Burbank, CA 91521

Representative John Mica  
3000 North Ponce de Leon Boulevard, Suite 1  
St. Augustine, Florida 32084-8600

Ed Mierzwinski, USPIRG  
44 Winter Street, 4th Floor  
Boston, MA 02108

Senator Bill Nelson  
1301 Riverplace Boulevard, Suite 2218  
Jacksonville, Florida 32207

Governor David Paterson  
State Capitol  
Albany, NY 12224

John Pepper Jr.  
Non-Executive Chairman of the Board  
The Walt Disney Company  
500 South Buena Vista Street  
Burbank, CA 91521

Travis Plunkett, Consumer Federation of America  
1620 I Street, NW  
Suite 200  
Washington, DC 20006

John M. Reich, Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552

Lauren Saunders, National Consumer Law Center  
77 Summer Street  
10th Floor  
Boston, MA 02110

*Senator Charles Schumer*  
757 Third Avenue, Suite 17-02  
New York, New York 10017

Ruth Susswein, Consumer Action  
221 Main Street, Suite 480  
San Francisco, CA 94105