

From: Daryl H Faulds, Mill Valley, CA

Subject: Regulation AA

---

Comments:

Date: Dec 14, 2008

Proposal: Regulation AA - Unfair or Deceptive Acts or Practices

Document ID: R-1314

Document Version: 1

Release Date: 05/02/2008

Name: Daryl H Faulds

Affiliation:

Category of Affiliation:

Address:

City: Mill Valley

State: CA

Country: UNITED STATES

Zip: 94941

PostalCode:

Comments:

Please accept this comment regarding unfair business practices as it relates to a personal credit card with CitiBank. I have had a revolving type card (not associated with home equity) with AT & T Universal Card since 1993. AT & T Universal Card was acquired by CitiBank at some point in the 15 years, although the card still is imprinted "AT&T." The credit limit on this card is large and shows that I am not a credit risk. Typically I pay the balance in full by the due date of the statement. This means I do not typically pay late fees and I do not pay interest. CitiBank uses a number of unfair business practices to assure that I must pay interest and late fees every so often. Together these charges amount to over 70% annual interest. I will explain the unfair practices by giving an example of my most recent statement (received by regular USPS delivery). CitiBank states that the invoice includes activity from October 30 to November 27, 2008. Therefore November 27 is the statement date. The statement could not have been accepted by USPS on November 27 because that is Thanksgiving and the postal service is closed. Citibank is also closed on Thanksgiving. CitiBank mailed the statement after the statement date. I received the statement on December 13. Payment for the statement has a due date of by 5pm December 17, otherwise a late fee is assessed. This is typical of CitiBank in that they mail their statements after the statement date printed on the statement such that the statements arrive so close to the due date (2 CitiBank business days) it is not possible to respond by regular mail on time. This assures CitiBank a late fee and interest charges. Furthermore CitiBank does not mail statements each month. The balance due on December 17, 2008 mentioned above includes account activity for November. (No November statement received.) CitiBank includes a late fee and interest for November activity due on December 17, 2008. Summary. When CitiBank mails a statement it is sent late. CitiBank includes an envelope to be used by regular mail. If regular mail is used it guarantees CitiBank can assess late fees and interest on all current activity. Citibank's charges are excessive (approximately five times the stated annual interest rate.) CitiBank also fails to mail statements for account activity and then charges late fees and interest when the balance is not paid. It's obvious why CitiBank engages in these unfair business practices. CitiBank intends to assess late fees and increase the interest rate on the account.