

From: Darvin Sparks <osparks@yahoo.com> on 06/27/2008 05:40:06 PM

Subject: Regulation AA

Jun 27, 2008

Federal Reserve Board Email comments

Dear Email comments,

Please put a stop to predatory practices that credit card issuers use to increase their already high profits. In particular the practice of short cycling the time between when the statements are sent and the payment due date.

There is often less than ten or twelve days between receiving a statement and the due date with severe interest rate penalties if the payment is late.

If I go on vacation for a week then I have to be sure to pay the CC bills in advance or they will sometimes be late.

My natural gas provider is the worst about this, Georgia Natural Gas. They send the bills so late that there is rarely more than ten days to pay them before they're overdue. They are also the only utility or creditor that I fail to receive bills from several times a year, thus

incurring a late charge of \$10 on a \$40 bill - absurd! I've had to set

a monthly calendar reminder to check for their bill so I can avoid this situation.

Recently I was lured into getting a Discover card with the promise of

0% interest for life of a transferred balance if I made two charges per month on the card. I transferred a few thousand dollars and set up recurring monthly payments from a Disney children's club and an existing XM satellite radio subscription. I checked at the end of the first month and all looked well.

Then, for unknown reasons, Disney stopped billing for the club dues without any notice so I quickly joined Blockbuster Online and had the billing sent to the Discover card. Since I had checked the account each month it appeared that I had caught the problem on time and the Blockbuster monthly charges started appearing on the bill just in time to meet the two charges per month requirement.

The following month I noticed that my interest rate has increased from 0% to 10% on the transferred balance. The only choice I have now is to pay it off though my monthly payments have been early and at least double the minimum amount.

We are all busy these days and don't need to constantly watch over our shoulders to make sure we won't be shafted by unscrupulous companies that are already making large profits.

Same goes for the banks, at least once a year I get the "change in terms" mailing in which fees reliably go up and benefits go down. Seems like there should be reasonable limits on this too.

I never personally overdraft or go over the limit on anything but I know people on fixed incomes that may do so on occasion.

In one instance a friend overdrew her account by less than \$5 which she covered the next day plus depositing an additional \$30 to pay for a \$25 prescription she knew she was going to have to pay for in a couple of days. She incurred a \$30 overdraft fee, which caused the check for the prescription to also bounce incurring another \$30 fee.

She lives on SSI disability of roughly \$800 per month with rent of \$600 and has absolutely no way of recovering from things like this. She simply doesn't eat for a week or more to catch up from this sort of incident. There needs to be some threshold amount of overdraft below which the banks cannot charge an overdraft fee. I think something in the \$15 area would be fair.

Thanks for your time and I look forward to some sensible legislation to protect your constituents.

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Sincerely,

Mr. Darvin Sparks
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