

Gina Roperti <groperti@msn.com> on 06/28/2008 09:40:03 AM

Subject: Regulation AA

Jun 28, 2008

Federal Reserve Board Email comments

Dear Email comments,

To the Federal Reserve:

I am glad to have the opportunity to personally ask that the predatory tactics of credit card companies be stopped. I have a very specific complaint about HSBC. I have always paid my bill on time, even if I am revolving a balance. I signed up for the card at a less than 3% interest rate (not promotional). HSBC changed it to 12% without warning. Last month it was raised to 26%.

I have not paid late to HSBC and none of my other cards are paid late. I called and asked why this happened. I was told "my credit rating" was the reason.

Again, I have paid all of my credit card bills on-time and have no defaulted on any loans, etc. I am in good standing with all of my utilities.

The formulas used to calculate "credit rating" are a mystery to the very consumer they are supposed to serve. This is an outrage.

The fact that I pay all of my bills on-time is what? The least important factor in my "credit rating"- enough to raise interest on an existing balance by nine times what I signed up for?

And I pay on time every month?

It's deceptive and twisted.

How under 3% became 26% for a customer who has always paid on time is beyond me.

I was also charged new fees that I am still trying to understand.

Do I have to say that interest at 26% on existing balances will drive most consumers into bankruptcy?

If a consumer has an existing balance and has budgeted to revolve that

balance for a certain period of time at a designated interest rate, and that rate rises by NINE TIMES without warning, it's unlikely the consumer will ever be able to pay the balance.

While it's true that lending money, as the credit card companies do, is a business and companies provide a service for which they should be compensated;

Driving working people into endless debt through these types of means is amoral and could create a larger burden on the federal and state governments in terms of food stamps and welfare benefits as people lose their savings, homes, and credit -ratings by surprise hikes in interest on existing balances.

I have experienced this phenomenon with several other cards, but HSBC is the latest and worst offender in my recent experience.

I am willing to pay a reasonable rate for the convenience of a credit card. I am willing to pay for the services like purchase protection.

What I am not willing to do is pay unexpected interest rates on existing balances that throw all of the family finances into chaos. A family can not budget this way. A family can not keep thier home this way.

Please reign in this predition.

Thank you.

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Sincerely,

Mrs. Gina Roperti
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