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June 23, 2008

Jennifer L. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Ave. NW  
Washington, D.C. 20551

RE: Docket Number R-1314

This letter is a result of an article in The Detroit Free Press on June 18th, 2008. Although this is not specifically a credit card issue, it seems to be somewhere a credit card and a debit card, but it is rip-off!

In December of 2006, my daughter gave me a \$50 Gift Card. Along with this was an instruction sheet, that indicated not to use this as a "debit card" even though it states that on the card, but to use it as a "credit card".

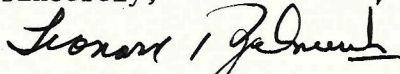
Since I did not need it at the moment, I decided to set it aside for a later date when I would need it. The instructions said it was good until 08/08 and obviously it was time to use it.

We tried using it at Home Depot on a \$190 purchase (recognizing it had a \$50 limit (so we thought) and it simply did not work. We then went to a local credit union that sells this type of a card, were told they could not help us, and to call ICUL Service Corporation in Wisconsin (866-264-2094) which we did. After identification it was confirmed that the card had been activated in December of 2006....and that it's current value was \$17.00.

Reason given, as pointed out at the bottom of the back page of the instruction sheet, there is a \$3.00 service charge per month, if the card is not used within 6 months. The \$3. charge is applied on the 22/23rd of each month, so now the card is worth \$14.00. I wonder if I wait 6 more months, which would be \$15 in charges, I would be billed the extra dollar!

Now, if interest rates are high on credit cards, and a \$3.00 charge is made to obtain the card, then to charge \$3.00 per month for not using my money, and in fact charging another \$37 that is plain robbery. IN addition, there are limitations where the card can be used, just try and find something for exactly \$17 (or now \$14). Card is rejected if the purchase is more than the balance on the card. I assume if I buy something for \$12-13 dollars, the balance will then be used up in a service charge, or revert to the issuer of the card. Needless to say, this is plain and simple a rip-off, and certainly must violate some usury law.

Sincerely,

  
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