Subject: Regulation AA

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Proposal:	Regulation AA - Unfair or Deceptive Acts or Practices
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Comments:

Credit card companies, after issuing the credit, should also be limited in the number of times they access your credit history. It becomes a vicious circle. Upon several cards access your history (without your knowledge, without your having ever missed a payment, and without your having requested an increase in credit limit or a better interest rate) suddenly your history--although completely clean--shows that you have had several inquires and then more cards, insurance companies, banks, and others, use the fact that there have been several inquiries about your credit history to not give you preferred rates, raise their interest rates, and deny credit. Even with some triggering factor such as late or missed payment or request for credit increase, unlimited access to credit reports should not be allowed to avoid a snowball effect. Without a pre-defined triggering event, access to a consumer's credit report should be denied without the consumer's consent and that consent should be upon specific notification of intent, not by some carte blanche paragraph in a credit card's tiny printed agreement. Companies should NOT be allowed to charge interest when the account is paid in full before the due date. Recently used the cash advance provisions on an HSBC credit card. As everyone knows, you are charged a percentage and then extremely high interest anytime you do this. Because of the cash advance, HSBC first lowered my credit limit. I ignored--didn't need it that high any. Next, they use the fact that I'm using credit which has always been available to me, to announce they are going to raise my interest rates. I pay them off, well before the due date. They send a statement showing a balance due - the interest accrued! By the way, one of the reasons listed for raising the interest rate was that I had no mortgage of record. I've no mortgage (house was paid off) since they issued the card!!! I've never missed a payment. Never been late on a payment. My income for last year was higher than it's ever been. In fact, I've always had an impecible credit history but, this year, had gone back to school and was using credit that I had available, rather than sale some assets. In other words, I was entitled to the credit until I used it. If I use it I suddenly become a risk. Farmer's Insurance company, used the fact that I had several inquiries on my credit report to deny me their "premium" rate on my rental insurance. I'm responsible. Have been very careful to keep a good credit history. Haven't applied for any additional credit from anyone. But, because I used some of the credit available, I'm told numerous inquiries have been made for my credit report, which caused credit limits to be lowered, which caused credit interest rates to increase, which makes the payments bigger I've made, which could evently lead to me making a late payment, which triggers a credit report inquiry, which lowers my credit score--it's a cycle. Credit card companies should not be allowed to raise the interest rate on pre-existing debt. As my experience with HSBC demonstrates, because they are suddenly concerned I MIGHT change my payment habits, they arbitrarily increase the interest. Anytime credit is extended, there is a risk. They should access the risk at the time of issuance. Barring a change in payment history, they should be very restricted in viewing credit reports (such as not more often than yearly), not allowed to raise rates, and limited to lowering credit limits on any existing account. No other industry is allowed to raise an interest rate extended to a customer without default. Credit cards are already allowed to charge higher interest rates and all kinds of extra fees to cover their risks. Suggest to card companies that they could issue cards that are only good for one year. If the consumer wishes to continue using that credit card for the next year, they then okay access to a credit report and accept or reject the interest rate offered on the next year's card. Also, require that credit card companies close accounts that have not been used for a period of time and report the account as closed for lack of activity to credit report agencies. Because the fact is, if the consumer has not used it for a year, should they suddenly start using it, there is going to be a credit check and terms, interest rates and credit limits could change. It should not be showing as available credit on a credit history report because the fact is, it may not be available.

Regulate this industry that has fees built-in at every angle--from charging the vendor and consumer, to late fees, to higher interest rates and fees for cash advances, than any other business could hope, yet makes more profit than other businesses.