

From: "Charlene Cross" <cchardcross@aol.com> on 07/20/2008 05:55:04 PM

Subject: Regulation AA

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Federal Reserve Board

Dear Federal Reserve Board:

I am writing in response to Docket No. R-1314, the rules to prevent unfair and deceptive practices by credit card companies.

I support the Federal Reserve plan to rein in some of the worst practices of credit card companies.

Approximately 1 and 1/2 years ago, my credit card nightmare began. I had many card accounts that I had for many years, including: Chase, Discover, Bank of America, Universal Card, American Express, Capital One and more. My payments were all current, I was never late and I had the low interest rates that they offered "good" customers. Then I received a notice from Chase that they had decided I had too many card accounts, so they were raising my interest from about 3% to 29% and higher. I had several accounts with them and none had ever been late. So I called to complain and the person I talked to said no one at Chase could help me and that he would do his best to see that the rest of my accounts interest rate was also raised. This comment after I said "why raise this account to 29% and my other accounts were much lower?" One by one they were raised and soon I started receiving letters similar to the fist from the other companies stating that I had too many cards open and raising my interest on eventually all of them. This sent me into a tailspin financially. I was calling and calling and trying to keep up with the payments which had more than doubled or even tripled. Then I paid a payment to Chase one evening about 9:30 Pacific time and Chase called it late because it was 12:30 Eastern Time. During this time I had decided to refinance my home to pay the balances and because the mortgage problems had already started, it was very difficult to get a loan, even though the value of my house at that time hadn't dropped and my credit score was over 7. The loan company kept stalling and asking for more information and it was about 6 months before I could get the loan. I was calling the card companies to keep them in the loop and in the meantime I was receiving about 30 or more calls a day from them. In the meantime my late payments, penalties, late charges, (and because of those) over-the-limit fees were adding up furiously. By the time I got the money I was only able to pay off a small portion of the debt, which ran over \$100,000.00. The amount paid was approximately \$35,000. This raised my payments on my home and due to the economy

failing, my small business, which is in the window coverings industry was suffering, as well as my other job at a large chain restaurant as a server was also suffering and I was unable to meet the payments on my home. Eventually, I decided to file a Chapter 7 bankruptcy to stop this nightmare, which I did, and now has been discharged. Unfortunately, I am also losing my home. I am 62 years old and have worked all my life and have nothing to show but a small ss amount. I am starting over, but how many good years left before I can't work? My family will care for me and help, but what about people who are not as fortunate?

It is unfair to change the interest rate on the whole balance, especially when card holders are only one day late! I agree that 30 days late is late - one day is not late!

I am happy that you are telling card issuers that they cannot change my interest rate and apply it to purchases that I have already made and have begun to pay back.

Please also take action to stop lenders from raising my rate because of problems they have, like market conditions.

I support the 21 day period that you are proposing for issuers to mail deliver the bill to me. It gives me a chance to avoid expensive late fees and maybe even a penalty interest rate. This will give customers time to avoid late fees.

Please limit penalty interest rates. Some of today's rates are usurious.

You should put a cap on interest rates!

Do not let credit card issuers convince you to change your proposed plan.

Sincerely,

Charlene Cross