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

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**Name:** Michael J Hamblet

**Affiliation:**

**Category of  
Affiliation:** Other

**Address:** 1226 Grant Road

**City:** Northbrook

**State:** IL

**Country:** UNITED STATES

**Zip:** 60062

**PostalCode:** 60062

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**Comments:**

The recent proposed regulations of unfair credit card practices is very much needed and long overdue. I congratulate the Federal Reserve Bank and the FTC for addressing these abuses and urge their respective governing bodies to adopt and vigorously enforce them. I would like to specifically comment on the number of days after the closing date of the billing cycle that institutions typically mail or deliver periodic statements. My most recent statement from my Bank of America credit card shows a billing date of May 20th. Yet, I received the statement in this afternoon's mail on June 4th, 15 days after its purported bulk mailing and only 5 days before the due date of June 9th. The statement does not contain the usual notice to allow 5 days for receipt of a mailed payment, but assuming this to be the average time, I would have to make a special trip to the post office (instead of posting in my own mailbox for pickup tomorrow) in order to meet this deadline without penalty. I called the Bank to discuss the situation and was informed that the Bank mails its statements within one day of issuance, namely on May 21st in this case. I observe the envelope shows it to be sent by "Presorted, First Class, U.S. Postage Paid, KRB" from Houston Texas. The Bank's representative told me to complain to the Post Service. However, I can state that it takes

between 10 and 15 days for my statement from this Bank to arrive each month, not just this current one. Indeed, in my working career I once oversaw the mailing of election notices to hundreds of thousands of voters and can tell you from experience many of our first class presorted mailings took much longer than 3-5 days to be delivered. My problem was exacerbated in March when I left for a one week vacation on March 28th without having received my March 20th statement and returned on April 7th to find it due that day. I arranged for a wire transfer of the payment to avoid the penalty and interest, but, adding insult to injury, I was charged \$15 by Bank of America for it to take my payment by wire transfer. I do not believe this situation with Bank of America is an isolated one. I have one other credit card and encounter the same statement delivery problems with it. I believe the problem is the use of the presorted bulk mail results in significantly slower delivery than the 3-5 days credit card companies would have us believe. My suggestion is that the government obtain sufficient information from the Postal Service and other agencies like election and taxing authorities and courts to determine the amount of time which can be reasonably be expected for these deliveries to take and add that time to the 21 day safe harbor period. I submit that this should be at least 7 calendar days to account for Sundays and holidays when mail is not delivered. You should base your determination upon the worst cases of delivery times, not the best. In my most recent situation, even adding 7 days for delivery would have given me 13 days (i.e. 28-15) from the day after billing to review the bill and mail the payment. Assuming it takes 5 days (including Sunday) for the payment to be received, I would have 8 days after receipt to send in my payment and be reasonably assured of a penalty and non credit impairing receipt. The banks and/or credit card companies should be interested in receiving payments of their bills, not in generating penalty fees in addition to their frequent exorbitant interest rates and needlessly impairing credit ratings. Yet, to me it appears they are taking advantage of the slow and often erratic mail delivery times to do just that. I urge your agencies to investigate actual delivery times and then to expand the safe harbor periods to reflect the realtime delivery periods. Sincerely, Michael J Hamblet