

From: "Lori McCutchen" <bmccutchen@earthlink.net> on 06/06/2008 02:00:01 PM

Subject: Regulation AA

Lori McCutchen
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Federal Reserve Board

Dear Federal Reserve Board:

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

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.

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

You should put a cap on interest rates!

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

The above is a pre-scripted email that says exactly what I have been saying for the last several years. I remember when if somebody charged you 33% interest they would be considered a loan shark. This happened to me last year. I sold my house in four days and in the hurried process missed one WaMu credit card payment by a couple of weeks. I had used this card exclusively to make my home market ready which put my balance about \$2014. They froze my account and changed my interest rate from 9% to 33% over night. When they called and made me aware of my mistake, I told them what had happened, that I could and would pay the total amount as I had made quite a bit of money on the sale. Apparently the phone call I had made to them earlier in the year having them reverse the late fee they charged me due to the post office taking five days to get the payment delivered instead of four was still in my file. However, the service agent said she wasn't interested in the parameters and was only

interested in collecting a debt. She told me I could call another number but that they wouldn't listen or do anything about it either. Once she told me nothing I said or did would make a difference, I waited until right before the next billing cycle and paid it in full. I have not used the card since. I also think it unfair for it to count against my credit rating should I choose to close out an account. I work hard to keep my credit score up to qualify for lower interest rates. I am therefore held hostage by bad credit card companies not to close out my accounts. This not only limits my choices as a consumer it denies me the opportunity to take advantage of other companies offers because I am forced to keep this account open I shows as a possible liability. My credit rating now is 779. I live in League City Texas 77573 and I think you should enforce your proposed reforms.

Sincerely,

Lori McCutchen