

**From:** "Bruce Klein" <bbtk13@aol.com> on 06/09/2008 12:00:02 PM

**Subject:** Regulation AA

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

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

The allure of increased profits due to unfair credit practices is now beginning to spill over to typically less aggressive issuers like Credit Unions. While the rates CU's charge are still normally lower than bank imposed rates, the same tactics to increase yields are being practiced by CU's.

Perhaps the most unfair tactic being used by many credit card issuers is to change the interest rate on existing balances - or indeed existing accounts - based on actions taken by other credit card issuers or changes in the cardholder's credit rating.

Credit practices must be governed by the contract as it was agreed at the time the card was issued except in cases of default by the borrower. It must be recognized that actions taken by other credit card issuers or reports made to credit rating agencies are one-sided views. They do not take into account legitimate disputes which do arise. It is virtually impossible for an individual credit card customer to have issuer errors or other causes of dispute recognized by credit reporting agencies.

The only chance consumers have in the "credit card wars" to be treated

fairly is through intervention by regulators. Please take action quickly and aggressively.

Sincerely,

Bruce Klein