William Hohle <hohle@attglobal.net> on 06/10/2008 07:55:04 PM

Subject: Regulation AA

Jun 10, 2008

Federal Reserve Board Email comments

Dear Email comments,

Thank you for taking the tough steps necessary to reign in the credit card companies.

Your attempt to stop credit card companies from arbitrarily increasing interest rates on existing balances is long overdue. At a time when the Wall Street Journal prime rate is 5.00%, card issuers are charging as much as 23%-30%. That used to be called usury.

And I also applaud your proposed rule to stop credit card issuers from applying all my current monthly payment to the lowest interest debit first. Over the past three months I've received 17 separate offers to transfer my existing balances for 0% or low interest for 6-12 months. Only reading the (very) fine print did I discover that my monthly payment would be applied ONLY to that balance until the balance was retired. Any purchases I made during that period would accrue a much higher interest rate.

You have also identified one of the practices that tripped me up not giving me enough time between receipt of the statement and the due date. One of my cards (bank to remain unnamed) closed the monthly statement on the 16th of the month. The statement arrived on the 27th of the month. It was due on the 3rd of the next month. Even if I tore open the statement, immediately wrote the check, and placed it into the mail stream the next day, it still would have been late. Paying late by one or two days bounced my interest rate to over 30%. I paid off the balance and cut up the card. But how many people have that option especially in today's economy?

Sincerely,

Mr. William Hohle
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