

From: Regina Rizzi <regina.m.rizzi@gmail.com> on 06/10/2008 11:15:03 PM

Subject: Regulation AA

Jun 10, 2008

Federal Reserve Board Email comments

Dear Email comments,

I recently wrote to you regarding my concern that credit card companies are engaging in deceptive business practices. I told you that I had been a loyal customer of Discover Card for many, many years. Despite my good credit rating, I was sent a notice that my interest rate would be raised to an incredible 20.20% with in a month's time, and told I could either pay my balance in full or endure the new costs I would incur. I was fortunate - within a few months another of my credit card companies offered me an opportunity to move my balance away from Discover - but the sting of Discover's unfair rate hike stays with me.

What about those who weren't so lucky? The ones who made purchases with the belief that the interest on those purchases would remain at their original agreed-upon interest rates as long as they held up their end of the bargain and paid on time? Those whose credit isn't quite good enough or whose debt-to-income ratio won't quite support a switch away from Discover to another credit card company? Those who are now paying a far greater amount per month than they could possibly have expected? In this time of greatly increased credit card costs, and greatly increased food costs, compounded with a rising unemployment rate.. . will this be the straw that broke the camel's back? Could it snowball into loss of homes? Bankruptcy?

It is often said that average Americans use credit too much, and are overextended. I firmly believe this is true. However, does that mean a credit card company should be allowed to take advantage of average Americans because of this error in judgment? Does it mean they should be able to kick average Americans while they are down?

I urge you to stop credit card companies from engaging in the shady business practice of increasing interest rates on credit cards for any other reasons than a) a change in the prime rate ("Variable Interest Rates"), and b) failure to make payments on time. These are the "rules of credit" that average Americans understand. Please end this practice of changing interest rates on customers in good standing "at will."

Sincerely,

Ms. Regina Rizzi
508 Union Ave Unit 303
Knoxville, TN 37902-2148