

**From:** John Citron <jcitron@krpartners.com> on 06/12/2008 11:20:07 PM

**Subject:** Regulation AA

Jun 12, 2008

Federal Reserve Board Email comments

Dear Email comments,

I feel that this is a very important bill to endorse. The banks and the credit card companies have had a free ride for too long on the consumers. I try my very best to maintain good credit only to have the

credit card companies and banks do things that affect it. I feel that I am constantly in a battle with them at all times.

So having said this I would like to see these changes implemented:

--- A late payment does not cause other creditors to automatically raise their rates and charge penalties.

A payment can be late for a number of reasons, and it is not always the consumers fault. The banks treat the consumer as guilty until proven innocent. Why penalize them by having all creditor raise their rates?

--- The default payment should not be at 30% or higher.

If the consumer is default on an account, then the use of the card

should be stopped, but the rate should be reasonable so the payment can be made easily. What good is it to raise the rate higher if they can't

pay in the first place? 30% and higher is extortion rates charge by the mob.

--- The interest rate should not go up immediately with one late payment.

--- There should be a grace period of up to 15 days for payments instead of what is available now.

At this time, the payment is late one day after the due date, and late fees and other penalties are imposed automatically. Other consumer

loans, including automobile and mortgages carry a grace period. Why not on credit cards too?

--- Reasonable rates for good credit.

If the consumer maintains a good credit rating, then the rates should be reasonable. By reasonable, I mean below 10%

--- Consistent due dates.

If a payment schedule is setup by the consumer and credit card provider, then that schedule should remain in place until changed.

In the past, I have had J.P. Morgan Chase randomly change my due date. For that reason, among others, I no longer deal with them directly. I established EFT payments on a schedule with my creditors. JPC was

constantly changing the date as if they were trying to get me on a late payment so they could jack the interest rate and make extra money.

--- No interest and penalties on top of previous penalties so that they cause the account to go over the limit.

--- A balance that actually has a term so that it can be paid down.

There's nothing like making a payment, which is more than the minimum only to have the payment go mostly to the finance charge with little

towards the principle so that the balance never goes down. There should be a fixed period for the payment plan so that the credit card can be paid off in a certain number of years just like any other commercial loan.

These are some of the things I would like implemented in this bill if at all possible.

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Sincerely,

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