

From: John Grogan <john.grogan@gmail.com> on 06/12/2008 11:45:06 PM

Subject: Regulation AA

Jun 12, 2008

Federal Reserve Board Email comments

Dear Email comments,

I strongly encourage you to enact the proposed credit card rules under consideration as soon as possible.

My family has been a victim of the practices these rules are designed to prevent.

Most recently -- a year ago -- after much research and discussion with the credit card representative for HSBC, I elected to enroll in a credit card which deferred interest on balances transferred onto the card for 12 months. It was explained to me that I could use the card

and pay down the balance transfer over time. So long as I paid down the balance prior to then end of the 12 month period, it would be interest free.

As the card had a good rewards program, I used the card. Each month, I paid the full balance due as well as a percentage of the original balance transfer.

I began to notice finance charges on the statement. When I inquired as

to what they were, I was told that they would be the charges due were I not to pay off my balance in 12 months.

However, after 6 months, I became growingly uncomfortable with these

answers. After escalating the issue, I learned that the initial balance

transfer was interest free, but the payments I had been making had been

put towards the initial balance transfer. The credit card company could opt to apply my payments to the low-interest (i.e. no interest) debt

first. In that manner, they could profit by charging us finance charges on current usage of the card.

I informed them of how deceptive they had been and of how their representatives throughout had been either ill informed or purposely deceptive. They referred me to a paragraph w/in the cardholder agreement and said that what they were doing was perfectly acceptable according to the trade group's standards to which they belonged. I later learned that this trade group was really no more than self-policing by the credit card companies.

The credit card industry in this country is in serious need of regulation and oversight to stop practices that harm consumers and aim to permanently indebt consumers so as to soak them for every dollar

possible.
Thank you,

.

Sincerely,

Mr. John Grogan
53 Saint George Ave
Stamford, CT 06905-4830