Subject:	Regulation AA

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Proposal:	Regulation AA - Unfair or Deceptive Acts or Practices
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Comments:

I agree completely with the recommended rules. While there are ways for consumers with good credit who do not maintain credit card balances to avoid most of the fees considered in the rules, it is way too easy for even the most informed consumer to fall into their trap. 1. Consumers should always be given enough notice to make a timely payment. Statements should be mailed out in a timely manner and payments should not be considered late if they are postmarked on the due date - there is inherent uncertainty and variability in mailing times. If a postmarked date is sufficient for timely submission of payment to the IRS, it should be sufficient for credit card companies. 2. The methods outlined for applying payments to balances with different interest rates are fair both to the consumer and the credit card company. 3. Increasing the interest rate on an outstanding balance should never have been acceptable. The money was borrowed under one set of terms, and the lender should not be able to change the terms of the contract mid-stream. 4. It is hugely unfair for a consumer to be charged an over-limit fee because of a hold placed on their available credit. The consumer makes the purchase under the assumption they have a particular amount of available credit, and it is not reasonable to expect them to know their available credit has been effectively reduced before they make the transaction. 5. While it is reasonable for balances to be double-billed when carried over to a new cycle, calculation of finance charges should always be straightforward and limited to the balance in the current billing cycle - there is no reason for the consumer to expect he is being triple- or quadruple-billed for previous balances. 6. There are so many ways in which lenders' offers of credit are unfair. Fees for any number of things are tucked into the offer, hidden in the tiniest of print. Coupled with the practice discussed in the seventh rule, it is unreasonable for a consumer to know at the time he accepts the offer of credit that the fees will a) be exorbitantly high, and b) make up the majority of his available credit line. 7. It is incredibly frustrating as a consumer that it is impossible to know what an offer of credit actually means. Of course the advertised terms always look like a good deal for the consumer, but how many consumers actually qualify for those terms? The offer the consumer would actually qualify for is nowhere in the offer brochure, beyond a note indicating that the consumer may not qualify for the advertised terms. One small sentence buried in tiny print does not mean the company is not engaging in false advertisement. It is ABOUT TIME that regulators stepped in to protect consumers from these unfair and deceptive practices. Credit companies will argue that these rules will increase costs for all consumers - all consumers are already paying the price for the unfair and deceptive practices that financial institutions have been engaging in. Even those of us who do routinely read all of the fine print get surprised by fees, and when we aren't paying extra fees we are paying for the irresponsible business practices with our investments in the tanking economy - deceptive lending practices have done much to exacerbate other pressures on the economy.