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

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**Comments:**

I would like to applaud the initiative shown by the Federal Reserve in making this policy proposal. For many years now, Credit Card Issuers have been free to engage in what amounts to "predatory" practices in their dealings with consumers, and these new rules take an excellent first step towards forcing these companies to reign in their hubris. While I do not have a credit card myself, I have seen many of my friends, individuals who are known to me to be generally fiscally responsible, who have been ensnared into a cycle of nearly unmanageable debt by practices used by their credit card issuers that honestly ought to be considered "criminal." The credit card industry is the only one I'm aware of where the terms of a transaction can be altered after the fact.. In a standard credit transaction, such as where I take out a loan from a bank, my interest rates on that money are fixed at the time of the issuance of credit, or at least the terms of such rates are (in terms of ARMs.) Nowhere else that I am aware of can I agree to borrow money at one rate and be forced to pay it back at a much higher rate for no other reason than the company changes its mind about the terms. The idea of "Universal Default" needs to be purged as well. If I have made my payments to a company on time, every time, and I run into a difficulty fiscally, and miss paying my phone bill

for a few weeks, there's no reason on God's green earth my interest rate (which is often already absurd) on my credit card, even if I have dutifully paid it regularly, should increase, even as much as doubling. The practices used by much of the credit card industry, from deceptive terms, to late mailing of bills to charge extra fees and penalties, double-cycle billing, charging of exorbitant rates of interest to compensate for defaults on accounts that shouldn't have been offered in the first place due to overzealousness in competition.. All of these practices are predatory to the US consumer, and have a detrimental effect upon the health of our overall economy. In the economics classes I took at Bradley University, Dr. Kalman Goldberg taught us that "companies are entitled to reasonable profit, but no company has the right to excessive profits." This, to me, is a reasonable idea. If a credit issuer uses responsible lending practices, they shouldn't \*NEED\* to utilize such deceptive and predatory mechanisms. The American consumer should not be required to pay (and often, pay out the nose) to compensate for bad management practices stemming from a corporation's greed. Please implement this Proposal. It represents the first real protections consumers have seen in many, many years, against the depredations of the credit industry.

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