

Subject: Regulation AA

Date: May 19, 2008

Proposal: Regulation AA - Unfair or Deceptive Acts or Practices

Document ID: R-1314

**Document
Version:** 1

**Release
Date:** 05/02/2008

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Comments:

Dear Sir or Madam, I believe that proposed credit card regulation, although welcome, fall short of a real consumer protection from predatory banks. For example, credit cards companies should not be allowed to raise rates arbitrarily from 10% to 30% in one shot, for one late payment, as it happened to me. Banks should be as quick in lowering interest rates after a number of timely payments as they are to raise interest after just one late payment. For example they raise interest from 10% to 30% in one shot, but it may take years to lower the interest back from 30% to 10%. This is unacceptable. Some rules that I have in mind: a credit card company should not be allowed to raise interest rate by more than 2% per occurrence. If they do raise interest by 2% from standard rate one month, they should lower interest by the same amount next month if payment is on time. Banks find all kinds of excuses - credit history, other cards, amount of debt, etc - to justify higher rates. Again, this is unacceptable. A higher rate for someone who has a large debt will only push that person faster into bankruptcy, as it happened to me. Banks should not be allowed to use secondary credit info, like credit history with other banks, to raise rates. The rate that was originally offered on the credit card

should be always maintained and only modified when there is a late payment or Fed modified interest rates. But these increases should be promptly reversed as soon as the reasons for increase have disappeared. Late fees or overlimit fees of \$39 seem very high and unjustified. Overlimit amounts may be charged a higher interest rate, but it is ridiculous to charge \$39 for going \$2-3 overlimit. Late fees should also be prorated by the number of days the payment was late (e.g. \$3 per day) Thank you.
