

**Subject:** Regulation AA

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

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**Comments:**

COMMENT ON PROPOSAL: REGULATION AA-UNFAIR OR DECEPTIVE ACTS OF PRACTICES [R-1314] We need to outlaw all uniform CREDIT SCORES, or at the very least modify the way they are derived. Since they are obviously manipulated by the banks (and seem to be also by HUD) they do not present a realistic view of a borrower. While credit scores were originally intended to make "routine" lending practices more "automated", they have become the be-all and end-all to most banks, credit card companies, mortgage lenders, and insurance companies. Three problems seem to me to be easily repaired: 1. My credit score should not be affected by the number of credit inquiries or the period of time between inquiries in shopping for, as an example, an automobile. Why should I not be able to take as long as I want and shop to as many lenders as I want without being penalized? If my credit score drops, say, 50 points then the mushroom effect takes place: my credit card rate may go up and/or my credit limit be decreased; my rate and/or terms on a mortgage may be negatively affected by more than tens of thousands of dollars on a thirty-year mortgage, and my terms (larger down payment) may also be affected; and my homeowner's and auto insurance may also be adversely affected by as much as 200%. The

banks have unfairly manipulated the credit scoring system to attempt to keep the consumer from shopping loan rates. 2. Due dates that arbitrarily change cost consumers dollars, especially for those of use who use bill-payer services to make sure payments are in on time. Often for no reason a normal 5th of the month payment becomes a 1st of the month payment, causing additional fees for late pay, and also giving the company reason to raise the normal rate from, say, 12% to 29.99%. This is criminal! 3. Once issued, a card rate should not be able to be changed adversely for anything other than a true default, not based on a change in my credit score, if I'm paying as agreed (which might also refer again to the other two above-mentioned items). Outrageous lending practices based on unsound, greed-driven principles have caused the mortgage lenders and investors to get what they deserve, but unfortunately at the expense of the taxpayer. Why should banks be allowed to continue to cheat the public when there is plenty of money to be made at huge interest-rate spreads on credit cards? Why should those who pay as agreed be cheated so banks like Bank of America make EXTREMELY RISKY loans to ILLEGALS? Obviously the other borrowers at that bank are paying for this unsound lending! Thanks. Randall Jones  
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