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Subject: Regulation AA

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Hi,

I can tell you the joke among my friends is if you charge at Macy's the bill beats you home from the store and you have to write out a check that day.

I can also tell you as a Bankruptcy attorney I hear many horror stories from clients who truly do not understand how credit card loans are different than other types of loans. For example, I had one client who came into a large sum of money and put it toward a credit card balance. Unfortunately, she did not realize that this did not move out her payment date as it does on other loans it just lowered the balance. Now, while long term debt repayment that is a good thing, for her it was an immediate disaster. Many consumers do not understand how to their payment sare applied.

I have a number of clients who do not understand that a low balance transfer rate is effectively ruined if you use the cards for other purchases because of how payments are applied.

The rul of 72 truly is unknown. Basically at 30 percent interest this means credit card balances double apporximately every 2.5 years. This sneaks up on most of my bankruptcy clients.

Universal defaults also caused many problems. Also the practice of cards allowing people to go over the limit and then charging a fee. A far better practice is to deny them the use of the card or make the card holder call and ask for an extension of further credit. At least the choice becomes conscious.

Unfortunately schools do not teach basic personal finance. Credit Card companies now market to the poor whose parent don't have the skills to teach their children because they, themselves, do not have the skills.

Essentially we have slavery by credit card. Everyone owes the company store. Its share cropping all over again.