

Luis Marquez <lmarquez33193@gmail.com> on 07/25/2008 10:45:07 AM

Subject: Regulation AA

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Federal Reserve Board Email comments

Dear Email comments,

I strongly agree with strongly regulating credit card providers'

attempt to bulk up their profit margins with fees and policies designed not to encourage responsible credit and lower risk, but instead to mislead less-informed customers into irresponsible credit usage that they can then milk for money.

I understand that with these fees and practices going away (such as double-cycle interest accrual; allocation of interest against lowest interest debt rather than highest as common sense would have it; increases in credit card rates for reasons unrelated to credit worthiness or risk; or stacking the deck by forcing customers in binding arbitration), credit card providers may require greater interest rate charges to offset lost revenue or higher risk, or even deny easy credit to high-risk customers. I am willing to accept this, since:

1. I can always shop around for the best interest rate, but I can't escape these non-sensical rules no matter where one goes, and

2. the less we tolerate industry practices that make it more profitable to cater to irresponsible or ignorant credit users that are easy prey for traps rather than those of us who use our money responsibly, the less likely it will be that the seed will be sown for yet another credit crunch like the one the debt markets are reeling from now.

There's something inherently wrong in the current system when it is in the creditor's interest for the person who owes them money to be a greater credit risk, not a lesser one.

I believe the proposed rules are only the first step of many more that need to be taken. Too many industries today are building their profit models at least partially around lying or hiding from the customer

extra charges not related to the cost of service--advertising attractive

rates only to later bait and switch with inflated nickel-and-dime costs and fees that are snuck in, published after the fact with cryptic names, or even falsely attributed to government entities as required taxes or fees when they really are not. Worse yet, the customer, because of monopolies or regulation loopholes, does not have a way to argue these charges or vote with his feet by taking his business elsewhere (especially because of forced binding arbitration agreements that today pop up everywhere). These companies are afraid--rightly so--to compete on an even field with other companies offering the same

products and services, and anything that is allowed to complicate the process of comparing value for customers hurts are capitalist economy by punishing those who provide the best value to the customer and rewards those who are the best liars and thieves.

Sincerely,

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