

July 31, 2008
6601 Tennyson St NE #3104
Albuquerque, NM 87111

Federal Reserve Board
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: suggestion

I greatly appreciate the difficult job you have. I also realize that your best efforts can often be twisted once they are implemented. For instance, when you try to add more liquidity, banks do not make more consumer loans, but rather use the cash to fix their own balance sheets. As companies they must respond to their stockholders, and fixing a balance sheet is a good way to do that; however the hope of added liquidity, getting more cash in the form of loans into the hands of the consumer so they would be able to spend and thus bolster the economy, was not fully realized.

Perhaps another alternative is to pay off consumer credit card debt directly. For example, allow each US Citizen with a credit card to send in a past monthly statement (past so people don't run up credit cards in hopes of "free money") from 2007 or the first half of 2008. The entirety of that credit card balance is then paid off through the government. This will reduce the risk to the credit card companies (banks) and thus help their balance sheets, and with consumers now having zero balances on one credit card, encourage them to spend a little more (the money cannot go into savings, it is a direct payoff of the credit card balance). A win-win.

Respectfully,



Jeff Pfohl