



OFFICE OF LIEUTENANT GOVERNOR

240 STATE CAPITOL

ATLANTA, GEORGIA 30334

CASEY CAGLE
LIEUTENANT GOVERNOR

July 30, 2008

Ms. Jennifer J. Johnson
Secretary, Board of Governors
Federal Reserve System
20th Street and Constitution Avenue, N.W
Washington, DC 20551

Dear Ms. Johnson,

I am writing you regarding the proposed rules in Docket No. R-1314 on credit card practices. In particular, Section 227.27, *Unfair Acts or Practices Regarding Security Deposits and Fees for the Issuance or Availability of Credit*.

As you may know, it has been estimated that one in three American consumers have sub-prime credit scores. In Georgia, that would indicate that approximately two million of our citizens are credit-challenged. While some of the sub-prime consumers got this designation by not meeting their financial obligations, others got there due to job loss, unforeseen medical events, or having other unexpected and unfortunate events crop up in their personal lives.

Many credit-challenged Georgians are working hard to build or rebuild their credit. I know their efforts take time and personal discipline. But the Federal Reserve's proposed rule limiting fees to get a credit card for sub-prime consumers, may effectively remove access to credit cards for many Georgians who are the most credit-challenged.

In light of these facts, I encourage you to consider alternative measures to protect credit-challenged consumers other than those in the proposed rules. For one, giving sub-prime consumers a longer period of time to cancel their credit card without having to pay any issuance fees, may alleviate some of the problems. This might be another way to protect consumers while still giving them access to a credit card.

It is my hope that you reconsider the language in Section 227.27 of the proposed rule and seek additional recommendations on how to protect sub-prime consumers without denying them access to credit.

Respectfully yours,

A handwritten signature in black ink that reads "Casey Cagle".

Casey Cagle
Lt. Governor of Georgia