

# HOUSE OF REPRESENTATIVES



## STATE OF MISSISSIPPI

August 6, 2008

**GEORGE FLAGGS, JR.**  
District 55  
Warren County  
P. O. Box 1674  
Vicksburg, Mississippi 39181

Bus (601) 630-8003  
Capitol (601) 359-3328  
gflaggs@house.ms.gov

**COMMITTEE ASSIGNMENTS:**  
Banking and Financial Services  
Chairman  
Appropriations  
Executive Contingent Fund  
Fees and Salaries of Public Officers  
Gaming  
Investigate State Offices  
Legislative Budget Committee  
Medicaid  
Public Health and Human Services

Ms. Jennifer J. Johnson, Secretary  
Board of Governors  
Federal Reserve System  
20<sup>th</sup> Street & Constitution Avenue, N.W.  
Washington, D.C.

Dear Ms. Johnson,

Many in Mississippi have expressed to me their concerns about the proposed rules in Docket No. R-1314 on credit card practices.

The particular rule change that has me most upset is Section 227.27, Unfair Acts or Practices, Regarding Security Deposits and Fees of the Issuance or Availability of Credit.

Scores of Mississippians are currently working under the present tough economic conditions during this slowdown to build back and improve their credit rating. The only way they can do this is to have credit extended to them and work hard to make the payments on time and in full.

It concerns me that the Federal Reserve's proposed rule limiting fees to get a credit card for these sub-prime consumers will effectively eliminate the access to credit cards for many Mississippians who are the most credit-challenged.

I encourage you to consider other measures for protecting consumers who have low credit scores other than those proposed on opening a credit card account. One thing to consider is compelling the credit card companies to disclose to sub-prime consumers that they have a longer period of time to opt-out or cancel their credit card without having to pay any issuance fees.

Ms. Johnson, I hope you'll agree with me that in these challenging times, we need to increase consumers' access to credit, rather than making access to credit and improving credit scores that much more difficult. I hope you'll reconsider Section 227.27 of the proposed rule and find other ways to protect consumers without denying them access to credit.

Respectfully yours,

  
George Flaggs