

**From:** Ronald Arsenault - 07/25/2008 11:05:06 AM

**Subject:** Regulation AA

Jul 25, 2008

Dear Email comments,

Dear Sir or Madam please follow Consumers Union recommendations listed below to the letter.

Consumers Union believes these rules are a good start and recommends even more be done to protect you! Our comments supporting these rules outline how they will help, including:

- \* Restrict card companies from hiking your interest rate on existing balances if you haven't been more than 30 days late paying.
- \* More fairly distribute your payments to higher-interest debt. This help ends the unfair practice of preventing you from paying down high-interest balances until you've paid off low-interest ones first.
- \* Give you at least 21 days from the billing date to your payment due date, preventing costly late fees.
- \* Ending two-cycle billing, in which a finance charge is calculated based in part on balances you've already paid.
- \* Restrict financing of security deposits and issuing fees for

those who have trouble getting a credit card to less than 50 percent of the credit limit so fees don't eat up all the available credit.

- \* End over-limit fees caused by a card company's hold on your available credit. You shouldn't suffer because a company holds your credit and causes you to go over the limit.

In addition to the above, Consumers Union is urging the Fed to do more to level the playing field, including:

- \* Limiting "penalty" high-interest rates, and how long card companies can keep you at these extremely high rates.
- \* Prohibiting fees for paying a credit card by phone or Internet
- \* Ending random changes in interest rates for future purchases "at any time for any reason."
- \* Ending ALL retroactive interest rate hikes, even if there has been one 30 day late payment.
- \* Requiring prescreened offers give you specific interest rates and credit limits for which you're likely to qualify, subject to confirmation after application.
- \* Prohibiting account-opening fees no more than 10 percent of the credit limit, rather than the Fed's proposed 50 percent. Multiple over-limit fees also should be banned during a single billing cycle.
- \* Ending ALL over-limit fees when it's the card company's fault.

You shouldn't be penalized when the company approves a transaction, or charges you fees, that put you over your credit limit.

Consumers Union filed a companion comment letter on provisions in the proposed rule that deal with overdraft loans. We asked the rule be

strengthened by:

\* Adopting an affirmative "opt-in" requirement for overdraft loan programs, instead of an "opt-out" requirement, which is currently being proposed.

\* End both bounced check and overdraft fees in cases where the bounced check was due solely to a debit hold or a check hold.

Thank you in advance for considering my request.

Sincerely,

Mr. Ronald Arsenault  
Southbridge, MA 01550-1395