

Dianne R. Gholston  
7405 Jumpers Trail  
Fairburn, GA 30213

July 18, 2008

Jennifer J. Johnson - Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

RE: Docket No. R-1314

Dear Federal Reserve:

I am writing to voice my opposition to the proposed amendments to Regulation AA, (Fed. Reg. 28,904, 28,923-25; May 19, 2008). The new requirements would place limits on credit card fees and if adopted, this rule would reduce the availability of credit for millions of Americans who have credit scores below prime.

Many Americans (including a high percentage of minorities and elderly persons) experience financial problems due to loss of job, disability, medical issues, or retirement. As a result their credit scores are lower than what is acceptable. I found myself in this position when I was laid-off after working for a bank for 10 years. By the time I found a job, I had already become delinquent on my auto loan and several of my credit cards. As mentioned my professional experience was in the financial industry so I desperately needed to rebuild my credit to get back into my line of work, (as many financial institutions will not hire you if you have a negative credit bureau report). At that time there were only a few financial institutions that would afford me the opportunity that I so needed. Although the offer that I received had a high interest rate and fees, I opted to take the offer in order to rebuild my credit. Today I can say that my credit is excellent and I can obtain credit from any financial institution that I choose, however I still have some loyalty to the bank that gave me the opportunity to have a credit card even though my credit score was very low. Changing the laws will make it very difficult for financial institutions to provide credit to someone who is in the position that I found myself in several years ago.

Responsible management of a credit card is a key element used by the credit reporting agencies in determining a consumer's credit score. Without the opportunity to obtain and manage credit, consumers with sub-prime credit scores will remain outside the financial mainstream. Also consider that those who have credit problems are all sorts of people. Just because they have gone through some financial difficulty and therefore have a low credit score does not mean that they can't read and comprehend the credit offers and their costs and make a logical decision to accept the cost as "a means to an end". By changing the laws you are taking that option away from the people who need it.

Instead of imposing price controls, I believe that the Federal Reserve should promote broader access to credit products and financial services. At the very least, we should not restrict consumer access to sub-prime credit cards before there is a reasonable alternative that allows these consumers to access credit and improve their credit scores.

Again, I urge you to withdraw the proposed fee limits on credit cards. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Dianne R. Gholston". The signature is written in a cursive style with a large initial "D" and a stylized "G".

Dianne R. Gholston

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