

Subject: Regulation AA

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Comments:

I have witnessed and experienced numerous unfair and deceptive practices by credit card companies over the years, but increasingly in the last couple of years. The companies have used numerous unfair and deceptive practices to generate exorbitant late fees and overlimit fees. These regulations are long overdue, and, in my view, do not go far enough. To give one example, I have had a VISA credit card with MBNA (now Bank of America) since 1984. When MBNA merged with B of A, it instigated particularly egregious practices, contrary to their earlier course of dealing. B of A adjusted my interest rate from 11.9% to 24.9% based on one late payment. Although a customer service agent conceded that the bank had miscredited a payment and it reversed the late payment fee, it refused to readjust the interest rate, stating that the only way I could receive a lower interest rate would be to obtain a home-equity loan. Also, B of A's website was, and is, particularly misleading. When making a web payment, the computer would default to the date the payment was due as the payment date, and then three days for "processing" were added to that date, resulting in a late payment (even though the computer payment may have been made several days or weeks earlier). I wrote to the Comptroller of the Currency to complain about these unfair and

deceptive practices and to report that B of A's practices, including informing cardholders of changes in a small print communication on the reverse side of a bill, appeared to violate banking regulations. In response, the OCC wrote and informed me that they had investigated and that B of A had reported that I told them I had received a notice of their policy changes, but had thrown it away (which was not true). The OCC did not address my concerns about the website and it remains that way today. In short, once these proposals are passed, there should be some way to enforce them. In my experience, the OCC is wholly ineffectual. The process took several months and the only response I got was a form letter saying I could contact an attorney and sue if I wanted to. Of course, the banks count on the fact that it would not make sense to take legal action over a \$45.00 late fee. There are several other questionable practices worth mentioning. In order to obtain the benefit of making a payment online, B of A requires customers to receive all future communications regarding changes in the account electronically instead of by mail. This is an example of the unreasonable contracts of adhesion that are imposed by most credit card companies, where a consumer has no option but to consent to unilateral change in terms. Why the resulting agreement, unsupported by any consideration would be an enforceable contract is beyond me. I also add that my son and daughter have recently reached the age of majority and have been deluged with credit card offers even though they have no income. They have also been the victims of the companies' late-fee and overlimit-fee-generating practices. One example is to adjust the due date "for the customer's convenience," when a bill is paid earlier than when it is due, and a card-issuer's failure to credit an early payment to the proper month, resulting in a late fee for that month. In one case, the payment period is just over 3 weeks, often within days of when the bill is received in the mail. Also, one of our credit card accounts was switched to electronic billing without my consent, again generating late fees and increased interest charges. I could go on with more horror stories. Thank you for finally addressing these issues and thank you for your consideration.