

From: Stephen Brown <stevebr@fsgi.com> on 07/25/2008 11:30:07 AM

Subject: Regulation AA

Jul 25, 2008

Federal Reserve Board Email comments

Dear Email comments,

I had a balance on a Chase credit card in excess of \$10,000. I had paid that amount down from about \$20,000 and was earnestly trying to

eliminate my credit card debt and had long ceased charging on the card. The balance was divided between 0% interest, 2.9% interest and 6.9% interest. When I received my monthly credit card bill the payment amount was itemized as principal and interest for all balances. I always paid more than was due and on time. I assumed that my payment would be applied as the itemized bill showed with a part going to the various interest amounts and a part going to the lowest principal balance. I understood that they would retire the balance with the lowest interest first, but I did not understand that they would not apply part of my payment to the interest. I noticed that the balance with the higher interest kept growing even though I no longer used the

card. Upon further review of my monthly statement I discovered that all of the payment was going to reduce the lower interest balances and that all of the interest on all balances was being added to the higher

interest balance. This seemed illegal to me and I called Chase about it and it took speaking with several individuals before I could find one that even realized or admitted that that was their policy in applying payments to credit card balances. Fortunately I was able to retire my

debt and no longer use them, but I think this is a criminal policy even though it may not be currently illegal.

Sincerely,

Mr. Stephen Brown
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