

Lisa Braught <lisa.braught@yahoo.com> on 07/29/2008 05:45:04 PM

Subject: Regulation AA

Dear Ms. Johnson and Federal Reserve Board of Governors:

First of all, Thank you for providing me with the opportunity to provide comments to the proposed rules on Reg. AA.

In midst of the current economy, fear and worry are more apparent than ever. Putting pressure on lenders and evaluating their practices only makes sense and the comments of how it should have been done long ago is not unfounded.

I agree with most of proposed changes on the grounds that they are indeed unfair in that they take advantage of what is essentially minor transgressions on the consumer's part. I will however, disagree with the proposed changes regarding pricing.

I believe that trying to regulate pricing on products/services becomes government intrusion that cripples a free market place.

Our history in regulating pricing in the past has not been successful and will not achieve the long term desired results that are being sought. This particular line item is directed at the sub-prime lenders, and the repercussions are being underestimated.

It makes sense to put controls in place that would prevent organizations from practices that hinge on a technicality and cause financial distress. But it does not make sense to hinder practices that helps the consumer improve their damaged financial profile. In today's world everything is based on a person's credit score. Everything. If a person does not have a decent credit score it hinders their ability to find acceptable employment, housing, affordable insurance, etc. The list goes on.

Sub-prime lenders offer consumers an avenue to increase their credit score and enables them to take control of their credit and get it back on track.

If the sub-prime segment is no longer able to provide credit to those with less than desirable credit because it cannot base pricing against risk, the fallout from that decision will plunge the economy even deeper into or towards recession.

There are many, many people out there who have tainted credit bureaus due to an uncontrollable circumstance and not because they are irresponsible. That is a stigma that seems to be attached to sub-prime that is false. Sometimes, they just need somebody to give them a break.

On a personal note, I am employed with a credit card company in South Dakota, along with several thousand others across the state. The impact of this regulation will be immeasurable to this state in job losses.

Respectfully,
Lisa Braught
Tea, South Dakota