

Subject: Regulation AA

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Consumers fear their credit card company more than they fear the IRS. Although I have a fixed interest rate of 11.5% on my credit card at Wachovia, they have the right to raise my rate to 30% after one late payment. Sickness, family emergency, travel, heavy work schedule can all distract a consumer from remembering to pay his credit card. Because I make payments on line, I was able to make a timely payment while I was away on a vacation. Had I paid my card compay by mail, I would not have been home when the bill arrived, and I would not have returned before the payment was due. One late payment shoud not constitute a rate increase. Paying a reasonable late fee (\$15.00) should be sufficient punishment. Cronic lateness should be punished with a rate increase. I am also annoyed by the "moveable payment date." Most monthly payments I make, mortgage, insurance utilities, car, are on on a fixed date. I know the car payment is due on the 25th or the insurance on the 6th, but the credit card can be due on the 25th one month, the 29th the next, or the 3rd the next. Of course the credit card company wants to keep the consumer off balance in the hopes that he will make a late payment. Credit card companies should also reward good paying customers by reducing the cardholder's interest rate. I pay student loans monthly. The fed. govt. rewards a year of faithful payment by lowering the interest rate on the loan. Why can't credit card companies do the same? Although that might be incentive to pay on time, something the credit card company doesn't want. How could they make up for all the risky loans they have granted without the profits from their credit card business.