

Subject: Regulation AA

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Comments:

Another issue that needs to be looked at is that sometimes for justified reasons consumers fall behind on credit card payments. Under present regulations credit card companies are permitted to increase rates to an unjustified default rate of as much as 29.9% that includes the entire prior balance amount. This is then compounded with addition of late fees and over limit fees all assessed at the default interest rate. Over a SHORT period of time the debt amount doubles and tripples making it impossible for the consumer to recover. AT THAT POINT, bottom feeders (i.e. LVNV Funding, LLC) purchase the charged off debt for pennies on the dollar then proceed to use deceptive tatics to collect the over inflated debt. EXAMPLE; My 81 year old mother with a social security income of \$750.00 per month is being harrassed by this company to collect an old debt at 3 times the original balance amount. Legal Aid Services advised her to ignore the Judgment filed against her because she had no assets. LVNV sent her INTERROGERTIES which she had no idea what they were and threatened her with CONTEMPT OF COURT. Had she followed Legal Aid's advice and ignored the request she may have been imprisoned over this hugely inflated debt. I contend that under "Aussumption of

Risk" LVNV knowingly purchased a non-performing asset for pennies on the dollar and are using the Legal System to harrass an 81 year old woman in poor heath to pay an old debt at 3 times the balance. The Courts should not allow them to file suit in these situations. I contend that this is "UNJUST ENRICHMENT". These bottom feeders (LVNV) are being permitted to bring back debtors prisons but it appears that our political leaders have permitted low life companies to profit from consumer despair.