

July 26, 2008

Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: **Docket No. R-1314**, Proposal to amend Regulation AA, Unfair and Deceptive Acts or Practices

Dear Ms Johnson and the Federal Reserve Board of Governors:

Thank you for the opportunity to provide comments to the proposed rules on Regulation AA.

My name is Dale Dobberpuhl and I have been in the credit card industry since 1982.

I am concerned about the enactment of the above mentioned proposal as it relates to Low Limit Credit Card Accounts. I believe that this proposal, if enacted, would be a short term answer that would have long-term lasting effects. I think that this proposal would long-term affect the availability of credit to consumers with less than perfect credit. This would limit credit to millions of Americans. I think that a better solution may be to govern disclosures that would ensure consumers have the necessary information to make an informed decision. Credit cards in general, either low or high credit limit, have allowed Americans access to credit.

The risk associated with lending to the sub-prime market is higher than the risk lending to the “prime” market. Lets allow the market place to drive the price of credit based on what those risks are. I would view sub-prime credit as being similar to high risk insurance, it is the consumer that is a higher risk that pays the higher premium in this case. I am not aware of restrictions currently in place or legislation that would change that. Why Credit?

The proposed amendment has other effects to it as well, if this change were allowed to pass as it currently is proposed it does not allow consumers a means to repair their “credit accidents”. It only further inhibits this consumer a way to re-build their credit rating.

I think a more viable method of ensuring responsible lending practices is appropriate legislation that would ensure more clarity in disclosures than what has been utilized in the past. This along with a “full refund” policy if the customer should change their mind prior to using the card would protect the consumer and still allow them the use of credit, even though they may have sub-prime credit. I think that the consumer and market place should still determine a fair price for the risk that creditors take for the sub-prime consumer. Individuals always have and I think always will have “credit accidents”, lets also allow them the means to repair that bump in their credit road.

I would like to thank you for taking the time to review this letter as well as to request that this proposal be changed for the reasons as I have mentioned above.

Respectfully submitted,

Dale Dobberpuhl
2400 Grinnell
Sioux Falls, SD 57106