

Subject: Regulation AA

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Comments:

I have several parts to my comments. 1. I have no knowledge of a "business" only credit card where the card is granted to the business vice the individual. This is needed to be sure what ever happens from a business standpoint is not passed to the business owner. 2. As a business owner, for way too many reasons, I have to have credit cards to buy materials, gas, supplies etc. It is impractical to use checks to transact many of these actions. These cards, even if, they state they are business, small business or whatever are directly tied to the owner's personal financial record. Thus, if the business experiences late paying clients and has to wait to pay the card, the late payment is permanently stapled to the owners personal credit rating. Further, when payments come in - finally - most businesses pay down the line by amounts greatly exceeding the monthly payment required. There is absolutely no credit given or note made that the owner has made a significant payment which should cancel out late payments, but they do not. This is very true in my case. The credit card companies - all of them that I use - have stated categorically that they DO NOT WANT me to pay down the loan, but rather make the monthly payment on time so the interest rate stays high!!! Can you

imaging being told do not pay down. 3. Closely coupled with the previous paragraph is the usury rate credit card companies inflict when you late pay. ATT Universal is 30%. I recently put their card to sleep and wrote to OTS concerning the usury rate and their policy which is to delay as long as possible payment sent in such that it is a late pay. Too many times we have proven it takes 10 to 15 days to "post" a payment. To me this is criminal. Other cards such as Bank of America {MBNA} do the same thing. Oddly, their reps will tell it takes that long to "post" a payment. That simply does not match well with normal business practices. Most businesses, pay bills twice a month, sometimes once a month! Those that pay twice a month generally pay around the first and around the 15th. Few businesses, except for incidentals, pay everyday. This business practice matters not to credit card companies when it is due, it is due. I have no problem with credit card companies requesting payment according to schedule. I have two very big major issues with them. The first is that they manipulate "posting" such that fees and rates can be assessed. Second, there is no relief, if large paydowns are submitted in the form of reduced rates or positive comments in Experian, Equifax and others. I believe my credit score should go up dramatically if I make a large paydown. 4. Lastly, as I mentioned, all the above falls to the bottom line of my personal credit rating, which through my business, has taken a beating. But here is an example of the extraordinary bad practices of the credit card companies. I have had a credit card with American Express for 40 years. Anyone can check that account and we will see that I have never failed to pay it on time. I have been a loyal client for 40 years. It matters not one wit to American Express that I have a perfect record for that card! It matters not one wit, that my personal net worth is over 1 million. This card is supposed to be "unlimited." But American Express has limited my card to \$1,000 quote, "because of my late payment history on other cards." Forty years of perfect payment history has no bearing whatsoever. Mind you, I have paid all the cards, some I have made late payments and some large prepayments all on the business side, but it just does not matter because they are all tied to the FICO score. If you wish to fix the economic health of this great nation, get a grip on these guys.