

**From:** "John Richardson" <JORICHAR@premierbankcard.com> on 07/30/2008 05:00:02 PM

**Subject:** Regulation AA

Dear Ms. Johnson and the Federal Reserve Board of Governors:

I work for PREMIER Bankcard and would like to share some thoughts regarding the proposed changes contained in Regulation AA.

As issuers of credit, we are always faced with the challenge of knowing who to extend credit to. As a sub prime issuer, the challenge is even greater due to limited ability to accurately identify those customers who will repay their debt. The vast majority of our customers do not have typical credit data to support lending to them. We are unique in our efforts to serve those consumers who are not able to obtain credit elsewhere, however this service comes with a price based upon the risk we assume as a lender. If we are not able to price based upon risk, we will be required to substantially limit the population we serve due to greater financial risk. Our economy currently is suffering from a lack of mortgage market liquidity. I believe we would sustain a like impact due to credit card issuer contraction based upon adoption of the proposed rules.

As consumers, we need to be honest with ourselves and our relationships with credit. We need to accept responsibility for our decisions and actions and should not look to our government when we make a decisions we are no longer comfortable with. As credit issuers, we also need to be honest in our dealings and make a full faith effort to educate our customers about all fees and costs associated with our products. I believe our institution strives to educate consumers about all fees and limitations of our products.

I urge you to consider the far reaching impact of your proposed rules to the consumers and banks, and to limit your focus to disclosure rules and consumer education.

Sincerely,  
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