

From: "paulb50@yahoo.com" <paulb50@yahoo.com> on 07/31/2008 06:15:03 PM

Subject: Regulation AA

I am writing you to voice my concern over the pillaging of the American people that has been conducted by the hands of the banks and credit card companies. I'm very concerned over this absolute abuse that they have dealt to the American people - I believe is the underlying reason our economy is struggling. It is imperative that your office take every and all actions necessary to reign in these deceptive practices and create a fair and acceptable business practice. I'm using myself as a great example as I almost declared bankruptcy and almost foreclosed my house because my credit card bills shot through the roof.

In summary, the ability of the credit card companies to manipulate the interest rate on an account and apply payments to the "lower rate" first is appalling and should be controlled. It is important that they have the freedom to profit from credit card use, but the practice of adjusting interest rates based on non payment factors is ludicrous. If I borrow money from you and make EVERY Payment it's logical that no matter what else happens in my life that you and I remain on good terms as long as I'm on time and make that minimum payment. If you get to decide 6 months later that you don't like people who love Green ties and want to double the monthly payment I must make just to "maintain" the current payoff status - I'd have you arrested. The banks basically are doing the same thing. Credit scores, credit bureaus and banks all collude on "risk" factors that create a massive disadvantage for consumers. As a result anyone who hits a rough time is punished making what could have been a recoverable financial stumble into an event that ends in bankruptcy and foreclosure.

Your office can place pressures on the legal and legislative departments and drive the country toward real progress that undoes the indentured systems that the banks have created. We are in the midst of modern era slavery and the banks are enslaving the American people and now is the time to stop this insanity. In the story below, I illustrate how not only the poor are being taken advantage of but anyone who experiences a disturbance in their life will suffer severely at the hands of the credit card companies. It needs to be stopped as the country is heading toward a tragic reality and YOU have the ability to impact directly the future of our society. Please intervene before the vampiric banking institutions in this country suck any and all hope of future growth and success out of our great nation and force us into "post-superpower depression" and send this society into a deep cultural, economic and sociological depression. Please help those of us who've run onto hard times in the past and pressure the banks, legislators and government to curb the preying being done by the banks. It's time we work on creating equality whereby the American people - not large businesses - are able to profit and grow.

Here's my story. I'm the top 2% of earners in the U.S. yet I almost declared bankruptcy because of bank/ credit card mistreatment:

I make roughly \$150k a year before taxes.

I own a house, was an executive at a public company and we lost our two biggest clients. The company declared bankruptcy and I lost my job. I used credit cards to bridge my income while I worked two jobs and my wife worked two jobs. We fell into debt but NEVER were we late or behind in any of our payments. My credit score at the time was 780. I was a perfect customer as I paid off my balances in full each month.

When I lost my job I racked up about \$15k in credit card debt but AGAIN NEVER was late or missed any payments; however I became personally responsible for an IRS payment for taxes and my balances blossomed to \$50k in total credit card bills. I settled those taxes by paying the balance owed with my credit cards. The IRS perfected a lien against my house during my protest period (about 9 months). My credit score dropped to 580. I was NEVER late on ANY payments.

My credit card balance was still manageable at \$50k because my rates were from 3.99% to 6.99% APR. Once the lien showed up on my credit report (about 30 days later) my interest rates on my Chase and MBNA cards blew-up to 23.99% and 22.99% respectively. My minimum monthly payments rose from \$350 a month to \$1,500 a month in credit card bills – to meet the minimums. I contacted each of the companies. Chase REFUSED to lower my interest rate despite the fact that I was never late and never missed a payment. MBNA was gracious enough to grant me some reprieve and dropped my interest rate to 18.99%.

The additional \$1150 a month in bills but immense burdens on my life personally and professionally. As a result I began to borrow against my 401k, had to take an early withdrawal against an IRA and put on significant weight due to the stress.

Why am I telling you this and why does it matter? At the agreed upon rates and standards I could and did survive and was slowly working my way back to equal, but the

egregious policies of the credit cards that allow them to change rates based on ANY change in credit profile causes the consumer to suffer. The reason I didn't declare bankruptcy and tell the banks to go "shove it" is because I was looking for a job and was afraid of what this would do to my ability to get a new job. If I'd had a job at the time, I would have filed for Bankruptcy if for no other reason then to give the banks what they deserved – NOTHING!

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