

From: tom humphreys <swptwng@hotmail.com> on 08/02/2008 03:10:03 PM

Subject: Regulation AA

I am providing comments to support your investigation of the subject abuses by Credit Card Companies. Our recent experiences with American Express and Chase Bank (MasterCard) highlight practices which can only be described as fraudulent and illegal.

CHASE MC:

We have been with them for over 20 years, and actually worked our way up to a credit limit of \$37,000 which we used to fund expenses for our daughter who is a mother with shared custody of her 2 children. Those expenses included everything from house payments and car payments to medical bills and prescription drugs.

CHASE arbitrarily raised the interest rate on this existing debt, from 14.5% to 23.99%, citing our credit history that showed unfavorable debt-to-income ratio, without any comment on our spotless payment history with ALL credit card companies. When I looked at the outlay FOR INTEREST ONLY payments on the CHASE card (close to \$800 or \$900 each month), I decided it was time to tap our retirement nest-egg and pay the balance at CHASE down to \$0.00. To add insult to injury, once I had done this, CHASE dropped our credit limit to \$1,500 (just \$200 to \$300 above the remaining un-billed interest).

Sure, we had a lot of debt due to the extraordinary expenses cited above, but it was all debt that we were managing, without missed (or even late) payments. We had signed a contract with CHASE for a certain line of credit at a certain interest - for CHASE to make a unilateral decision, and change both these parameters without OUR AGREEMENT is not only UNFAIR, but should be ILLEGAL. We honor and pay our debts - always have and always will. To be treated so shabbily by CHASE was both shameful and stressful.

AMERICAN EXPRESS:

At the same time we were going through our problems with CHASE, we decided to move most of our automatic payments (utilities, gasoline charges, charities, etc.) to my AMEX Blue card. When we returned from a recent trip, we not only made the aforementioned pay-down to CHASE, but a \$5,000 pay-down of our outstanding balance to AMEX Blue. Once again, IRONICALLY, AMEX took this opportunity, without telling us, to drop our credit limit from \$9,000 to \$4,500, just a few hundred dollars above the remaining balance. Shortly thereafter they started declining automatic charges to the card, again without telling us, without a thought of how that would embarrass us and compound our credit problems.

Both companies cited credit history "concerns" as a reason/justification for their action. I'm not sure who is "driving the train", whether it is the credit card companies taking unilateral actions that undermine our credit position, or whether it is the credit reporting companies who make arbitrary judgments (too many inquiries, or too much debt without any allowance for our stock accounts and retirement funds at companies like T.Rowe Price and Vanguard). Whatever the situation, as consumers we are caught in the middle, with no recourse to paying higher interest rates - like THAT'S going to help us manage our debt any better.

Please do what you can to reign in these out-of-control companies, or invite them to find another line of work.

Respectfully,
Thomas B. Humphreys Sr.
Commander, U.S. Navy (Ret.)