

From: "Troy Weber" <TWEBER@premierbankcard.com> on 08/04/2008 10:55:08 AM

Subject: Regulation AA

Dear Ms Johnson and the Federal Reserve Board of Governors :

Thank you for providing me with the opportunity to offer comments regarding the proposed rules on Regulation AA.

I have been employed in the subprime credit card industry for nearly ten years. My primary focus during this period has involved managing origination risk and maintaining the balance between delinquencies/profitability and the economical pressures placed upon our portfolio. Our corporation currently employs over 3,000 employees throughout the state of South Dakota.

I have reviewed the proposed recommendations and have several concerns regarding the potential impact the modifications will have on the subprime credit industry and the population that it serves.

First and foremost, I am extremely concerned with the introduction of price controls within the United States of America, therefore eliminating the free market model our society has successfully thrived upon for hundreds of years. These pricing controls will undoubtedly have a negative impact on our society in countless ways. Specifically, it will further widen the wealth gap that already exists between white Americans and people of color, knowing that a larger percentage of those persons of color exist in the subprime market as compared to whites. Those persons who will likely be impacted the greatest will be Latinos and African Americans whose access to credit will reduce greatly given the probable retreat of many corporations from the subprime market due to the diminished returns issuers are likely to suffer.

Given the anticipated lack of access to subprime credit for those persons of color, they will not be able to have opportunities to buy a home or purchase a car given they will no longer have the prospect of advancing to the prime market.

I am challenged by the concept of pricing controls placed around the credit arena, when our organization, along with a majority of others, offers our consumers a refund of fees if the consumer is not satisfied with the terms and agreement they initially accepted.

Why not pricing controls on fuel products given the sizeable impact this necessity has on all families, especially the minimum wage earning working class? Why not pricing controls on food, home costs or transportation, given these are all essentials to daily living as well?

My second greatest concern rests with the Sioux Falls, South Dakota, economy and its dependence on the credit industry. Credit issuers are the second largest employer, and I fear the repercussions Sioux Falls would likely encounter if Reg AA were to pass given the likely departure many businesses will undergo. This industry creates thousands of jobs within our city, and many families will suffer if this regulation were to be implemented.

Regards,

Troy Weber - Risk Assessment Manager (Premier Bankcard, LLC)

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