

August 4, 2008

Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: **Docket No. R-1314**, Proposal to amend Regulation AA, Unfair and Deceptive Acts or Practices

Dear Ms Johnson and the Federal Reserve Board of Governors:

I am a Business Analyst for PREMIER Bankcard in Sioux Falls, SD and I am writing to comment on the proposal to amend Regulation AA.

It is my opinion that singling out the credit card industry and setting prices will be extremely harmful to both the lender and the consumer. Consumers will be marginalized in today's economy if lenders exit the sub-prime credit card market due to low rates of return in this high- risk environment. Many of these consumers are using their credit cards to purchase gas and food to get by until their next payday. The top five businesses where PREMIER's cardholders make purchases are Wal-mart, Shell Oil, Exxon, Target and McDonalds.

And who will sub-prime credit customers turn to as consumer product companies and their ad agencies continue to create "don't wait, buy now" desires in consumers who have not learned to save first and buy later?

The credit cards PREMIER Bankcard offers are less expensive for cardholders in the long run. Once initial fees are paid, PREMIER's credit cards have lower interest rates and lower ongoing fees than prime credit cards. \$29 late and over limit fees verses \$49 or more for prime cards. Lower credit limits on sub-prime credit cards also help consumers manage their credit and avoid high balances that lead to unaffordable monthly payment amounts and eventually lower credit scores due to delinquency and/or charge offs.

Please also keep in mind that PREMIER Bankcard offers many payment incentives and programs to help consumers who fall behind on their accounts. Cardholders can also receive a full refund of all payments on un-used accounts, all they have to do is ask.

Thank you for this opportunity to comment on the proposed amendment to Regulation AA.

Best Regards,

Tobey J. Eich
2004 South Queens Avenue
Sioux Falls, SD 57106