

**From:** "Dan" <ddoss@embarqmail.com> on 08/04/2008 09:25:01 PM

**Subject:** Regulation AA

### **Current Credit Card Lending Practices (Docket No. R-1314)**

Capital One doesn't report the limit of credit card accounts, they only report the balance, so when your credit report is reviewed, it appears as though the credit card account is always at the limit.

Credit card lenders will increase your credit line substantially w/o advance warning. This can result an individual having too much available credit. If the individual request to have these credit increases removed, it can appear as though the individual is no longer credit worthy.

Bank of America often sets the due date of their credit cards on non-banking (non-business) days such as a Sunday or a Monday that is a holiday, and will not allow payments online through their web site with the payment date to be set to these due dates. If the next available payment date is selected, one day after the due date, a late fee will be charged and the interest rate along with the monthly minimum payment will be drastically increased. After speaking with BOA about this situation, they said the payment must be made before 3:00 p.m. on the preceding banking business day, in this case Friday. I explained they were in breach of their own contract which defined the Grace Period (25 days) because they were essentially reducing this period by three days in this case. After debating this with their customer service dept for 30 minutes, they waived the late fee and reinstated the promotional interest rate. They very next month, the billing date fell on another non-banking day. I should add that all of my other credit cards either set the due date to a banking day or except the payment online through their web site even though their due date is a non-banking day.

Some credit card lenders set a specific time on the due date that the payment must be received by. If the mail is a few minutes late, your payment is considered late.

Some credit card lenders will increase your interest rate and increase your minimum payment if you make late payment with another lender even if you are not late with them.

Two cycle interest calculations should have never been legal.

Credit card lenders should not be allowed to charge over-the-limit fees when they have control of approving all charges.

Statements dates should not fluctuate more than three days and no statement period should be more than 31 days.

Credit card lenders offer teaser rates on "pre-approved" accounts for new customers, but the fine print states not all applicants will be approved for the lowest interest rate. Then individuals are given a card with a much higher interest rate than expected.

Once credit card lenders open a new account with an introductory rate, they often set the minimum payment to only 1% so if only the minimum payments are made, the principle balance is barely reduced during the introductory period. However, once this introductory period has ended, the minimum payment increased to at least 2%.

Most credit card lenders have removed their maximum fees (typically \$75 - \$90) on balance transfers and cash advances and replaced them with a 3% of the amount fee with no maximum. Recently, many of these lenders have increased this fee to 4% of the amount.

Credit card lenders apply payment to the lowest interest balance first regardless of which charges posted to the account first. It should be First In, First Out (FIFO) method.

Thank you for your time.

Sincerely, Daniel Doss