

From: The Talbots, Inc. , George Danis
Subject: Regulation Z - Truth in Lending (Credit Card Act)

Comments:

I am writing to express our concern over the impact that proposed language regarding the collection of income and or assets for non-minors will have on our ability to extend credit to our customers. As a retail credit card bank we offer credit at the point of sale (Instant credit) to assist customers with their purchases or to take advantage of special promotions. We determine the ability of a customer to repay the indebtedness by checking a credit bureau file and obtaining a credit score at the time of purchase/application for credit. Customers are only extended credit if they have a satisfactory score and credit file. The score itself is derived from a customer's credit history so it is a good predictor of a person's ability to manage their credit obligations. We request that this option to evaluate a customer's ability to pay, rather than the proposed language, be retained as part of the final rule.

By requiring creditors to obtain income/asset information we would be impacting our ability to extend credit on a timely basis and a customer's ability to open a credit account. Since many customers will open an account to take advantage of a special promotion the impact of this proposed rule would be to limit people's access to credit and also their ability to take advantage of these special promotions. Very few people carry income information (such as a pay stub) that would be necessary to satisfy the proposed language nor would customers (and those waiting in line behind them) be inclined to wait in line for it to be evaluated. While I understand that in some cases (mortgages, auto purchases, etc.) it is critical to obtain and verify income, the typical retail extension of credit is significantly smaller and applying the same standard to both types of credit seems excessive.

Thank you for your consideration,

George Danis
The Talbots, Inc.