

From: Mary Burkhardt  
Subject: Regulation Z - Truth in Lending

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Comments:

Apr 1, 2010

Comments for Federal Reserve Board  
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Credit card companies have been out of control for some time.

For example, I have a credit rating in the 800s and I applied for an Amex card through Costco advertized for "travel" but giving a 3% cash back feature. When I got the card, I had a \$2,000 limit despite the fact that a few months earlier, I was putting \$10,000 per month on my Amex Platinum (which I shut down because of the \$450 per year fee). Amex refused to raise the limit, thereby making it impossible for me to use the card for travel. (few trips are under \$1000 and I do 2-4 per month.) I have a feeling they did not want to give me so much money back in cash and they didn't like me much because I pay off my cards every month. These trips are BUSINESS trips and at low risk for non-payment. I cancelled the card in frustration and got a US Bank Visa the next day with a 25K limit. I have been using them happily ever since.

When Northwest merged with Delta, the new airline card was Amex again, much to my dismay. I had repeated issues with them. With my November 2009 statement, I got a thank you note and an additional 5,000 frequent flier miles for spending so much on the card and in the same statement I was socked with a \$35,00 over limit fee. I got the fee removed after throwing a fit and when I asked why they didn't just deny charges when I was close to the limit, they said they didn't want to embarass me by declining the charges. YEAH, RIGHT. Most people would have just paid the fee and have been done with it, but I find their business practices circumspect and I was persistent and got the fee removed, but it shouldn't be this tough. The arrogance and their attitude is also beyond belief and they think they can act with impunity.

For all the "regulations" they have with credit cards, the companies themselves rely on outdated information from a single credit bureau (Amex was 3 jobs behind on my information), and they do not consider your income from properties as part of your real income, so people with multiple homes look like they are over mortgaged rather than being in fine shape. Their applications do not have any room for explanation or generally for including extra income that should be applicable to the application. They never call you to TALK to you about the application process even though you might want to provide additional information.

In an effort to be right on with my Amex payment, I accidentally paid my Amex card two times in December, resulting in about a \$6,000 overpayment right before Xmas. I had accidentally checked the wrong Amex box on my automatic bill pay screen from the bank and I sent the

money to an inactive business card. It took Amex about 6 weeks to give me that money back and it was also about 2 or 3 calls to get that fixed. They tried to convince me to transfer and leave the money on my current business card because they saw a "test charge" for a \$5,000 piece of equipment that had not yet been posted. I had to really fight with them to get a refund check so this money was in my pocket for 8 weeks, not theirs.

If I have it bad with my near perfect credit score and healthy income, I can't imagine the frustration of others with families and more debt. Something MUST be done to control the abuse.

Start the review of interest-rate hikes sooner, and strengthen them. Consumers faced huge rate hikes while waiting for the CARD Act go into effect, and this provision is our only chance to have those rates reevaluated and reduced. We can't wait another year --- banks should review rate hikes as soon as the regulations go into effect this year. Also, banks must review the rate hikes to determine if they are still valid, and should be prohibited from coming up with new reasons for the increase.

Restrict the size of penalty finance charges. Penalty interest rates should be considered a 'penalty charge' and addressed by the rule. Set rules to limit penalty finance charges to levels that are reasonable and proportional to the cost of the violation.

Restrict penalty fees to the lower of 5% of the amount at stake, or \$10. Customers should never pay a penalty fee that is more than 5% of the amount at stake, and the Board also should adopt a low cap.

Keep the ban on inactivity, declined transaction and account closure fees. Customers are getting hit with new fees for not using their cards. The Board did the right thing to ban fees for actions that have no costs associated with them.

It is critical the Board issue the strongest rules possible to protect consumers, since the banks continually come up with new ways to get around the consumer-protection laws. I urge you to give me the protections I was promised under the CARD Act, and issue the strongest rules possible.

Sincerely,

Ms. Mary Burkhardt