From: Ruth L Broder

Subject: Regulation Z - Truth in Lending

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Comments:

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In February, 2010, I owed approximately $xx on my Chase Visa account. I made the minimum payment of $xx on February 16, 2010, leaving a balance of approximately $xx, including interest charges. I had returned an item to a vendor and knew that I would be receiving a credit. I did not receive a statement for April, 2010, and assumed incorrectly that the credit had resulted in a $0 balance on my account. In fact, there was still a balance of $16 on the account with a minimum payment due of $xx on April 4, 2010. Since I had not received a statement, I missed this payment. However, when I received my new statement on April 12, 2010, I immediately paid the entire balance, including a new balance of $xxx not due until May. When I called Chase to explain the situation and request that the $29 late fee I had been assessed be removed, I was refused. As a result, I will have paid a $29 late fee on a balance of $xx which had had a minimum payment due of $xx. Thus, the late fee is double the actual amount that I owed and three times the minimum payment due. I was also informed that Chase might increase my interest rate due to my $10 payment being just over one week late. The regulations proposed by the Federal Reserve mandate that penalty fees charged by credit card companies be "reasonable and proportional" to the size of the violation. I do not believe that any rational person would consider a fee DOUBLE the full balance and TRIPLE the minimum amount due to be either "reasonable" or "proportional."