

From: Cynthia Laverdure
Subject: Regulation Z - Truth in Lending

Comments:

Apr 3, 2010

Comments for Federal Reserve Board
20th Street and Constitution Avenue NW
Washington, DC 20551

Last Fall, Discover card sent me, my husband, and my dad who are all account holders, letters announcing that they were cutting the benefits of their cards- the 5% cash back for gas etc was cut back to 2%, and they were raising my interest rate from 8% to 15%! Now, my husband, myself and my dad all paid our individual Discover card balances in full monthly. None of us carried a balance, we never had a late payment, or any other negative action by us to cause such a "penalty". They also brazenly announced that payments would be raised on any balances! Well, my moral compass went spinning!

Fortunately, we were customers who were not "enslaved" to the credit card company by their hard nosed tactics, since none of us carried a balance, and were fortunate enough to still have jobs. I do however, feel that this tactic will cause a severe hardship to people who may be forced to live on their cards while unemployed, laid off etc. This is a form of extortion allowed within the loopholes of the law, and is abominable to say the least.

Discover card has permanently lost the business of both myself and my husband. We have not canceled our cards, and will not- why should my credit history suffer for the actions of the ignorant executives in charge of these companies? We will NEVER use Discover's card ever again- and that is a promise WE will not breach. I refuse to do business with companies who feel it's OK to take unfair advantage of people in their worst moments during this economic downturn, and will apply those morals to any other company who feels they should jump on that bandwagon. Once enough people take away their business, these companies will realize- albeit too late, that they will NEVER regain that trust they so easily breached with their greed, ignorance and immoral actions. Any political figure who is in the pocket of these companies will also lose our respect, and VOTES as well.

Wake up Credit Card Executives- your downfall will come before you know it, and we will be the ones pulling the bricks out from under you- one by one...

Start the review of interest-rate hikes sooner, and strengthen them. Consumers faced huge rate hikes while waiting for the CARD Act to 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. Cynthia Laverdure