

From: Deann R. Park
Subject: Reg Z -- Truth in Lending

Comments:

Date: Dec 28, 2010

Proposal: Regulation Z - Truth In Lending Act

Document ID: R-1393

Document Version: 1

Release Date: 10/19/2010

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December 23, 2010 The Federal Reserve Washington, DC Re: Docket No. R-1393
Proposed Rule to Amend Regulation Z Truth-in-Lending Dear Board of Governors of
the Federal Reserve System, I am writing to you as an employee of PREMIER
Bankcard in Sioux Falls, South Dakota urging you to support Congress in
opposing the proposed rule that would change the CARD Act. As an employee, I
believe in the product and the service we provide to our customers. The
proposed rule change is not what Congress intended, it is not good for the
consumer, it is not good for business and it is not good for South Dakota. I
actually work and talk with our customers and I would like to share with you
(PLEASE INSERT YOUR PERSONAL CONVERSATION OR PERSONAL EXPERIENCE WITH A
CUSTOMER IN YOUR OWN WORDS.) The proposed rule would change the CARD Act passed
by Congress and the implementing regulations by including pre-account opening
fees in the 25% limitation during the first year after the account is opened.
The proposed
rule specifically states that "there has been some uncertainty as to whether
those limitations apply to fees that a consumer is required to pay prior to
account opening". In addition, the proposed rule states that the current
practice is consistent with the current language of section 226.52(a)(1), the
Board believe that it is inconsistent with the intent of Section 127(n)(1)
insofar as it disturbs the statutory relationship between the costs and
benefits of opening a credit card account. I object to the Board's conclusion
that Congress intended for something other than what was passed into law.
Section 105 of the CARD Act specifically states: If the terms of a credit card
account under an open end consumer credit plan require the payment of any fees
(other than any late fee, over-the-limit fee, or fee for a payment returned for
insufficient funds) by the consumer in the first year during which the account
is opened in an aggregate amount in excess of 25 percent of the total amount of
credit authorized under the account when the account is opened, no payment of
any fees (other than any late fee, over-the-limit fee, or fee for a payment
returned for insufficient funds) may be made from the credit made available
under the terms of the account. There can be no mistake how the law was written

and passed by Congress. If all fees were to be included in the Act, the law would have been written that way and not leave it up to the rule-writers. The Act goes on to make the point even more clear that fees assessed prior to opening are not subject to limitation, except for those already prohibited by law: No provision of this subsection may be construed as authorizing any imposition or payment of advance fees otherwise prohibited by any provision of law. Finally, the authority of the Board to "effectuate the purpose of Section 127(n)(1)" is being far exceeded and is in fact changing the Act without due process of Congress. Therefore, I would urge the Board to not adopt the proposed rule to restrict pre-account opening fees that are not charged to the account.