From: Jane Massmann Weber

Subject: Reg Z -- Truth in Lending

Comments:

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Proposal: Regulation Z - Truth In Lending Act
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Comments:
Dear Ms. Johnson: The following comments are provided regarding: Docket No. R-1393; RIN 7100-AD55 Proposed rule to amend Truth-in-Lending (Regulation Z) Specifically, Section 226.52 Limitation on Fees: The proposed rule would change the CARD Act passed by Congress if the final rules include pre-account opening fees in the 25% limitation during the first year after the account is opened.
I do not agree with 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. Based on that language, there can not be any uncertainy of 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. Why are rule writers attempting to to rewrite the law based off what they think Congress's intent was? The intent of Congress was very clear. The Act goes on to make the point 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. In conclusion, the authority of the Board to "effectuate the purpose of Section 127(n)(1)" is being far exceeded. The Board is in fact changing the Act without due process of Congress. Therefore, I urge the Board to not adopt the proposed rule to restrict pre-account opening fees that are not charged to the account. Sincerely, Jane Massmann Weber