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Subject: Reg Z -- Truth in Lending

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Comments:

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These comments are respectfully submitted in response to the Request for Comment regarding proposed rule amending Regulation Z - Docket No. R-1393, specifically Section 226.52 (Limitations on Fees). I oppose this proposed amendment and believe that its implementation by the Federal Reserve Board ("Board") would be too far exceed the implementation authority given the Board by the Credit Card Act ("Act") and would in fact change the Act without the due process of Congress. This proposal to further restrict the fees that card issuers are allowed to assess for the risk of issuing cards would specifically change and rewrite the Act as it was written and passed by Congress, as such the amendment can not and should not be implemented outside the due process of Congress. The proposed rule would change the Act passed by Congress and its implementing regulations, by including pre-account opening fees in the 25% limitation requirement, during the first year after the account is opened. The Act

is clear and specifically addresses this issue in Section 105 as follows: "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 is no confusion as to this section of the law as it was written and passed by Congress, I am certain that this topic was not overlooked by the authors of the Act and further was not intended to be left open for interpretation during the implementation process. The language of the Act further clarifies its intent that fees assessed prior to opening are not subject to limitations,

except for those already prohibited by law, as follows: "No provision of this subsection may be construed as authorizing any imposition or payment of advance fees otherwise prohibited by any provision of law.". It is with great urgency and conviction that I urge the Board to reject the proposed rule amendment to restrict pre-account opening fees that are not charged to the account. I appreciate your genuine consideration and Thank you for your work. Respectfully submitted.