

From: Premier Bankcard, Tom J Hanlon  
Subject: Reg Z -- Truth in Lending

---

Comments:

Date: Jan 03, 2011

Proposal: Regulation Z - Truth In Lending Act  
Document ID: R-1393  
Document Version: 1  
Release Date: 10/19/2010  
Name: Tom J Hanlon  
Affiliation: Premier Bankcard  
Category of Affiliation: Commercial  
Address:  
City:  
State:  
Country: UNITED STATES  
Zip:  
PostalCode:

Comments:

This letter is to encourage the FRB to NOT enforce the following proposed rules: (1) Application and similar fees that a consumer is required to pay before a credit card account is opened are covered by the same limitations as fees charged during the first year after the account is opened. Because the total amount of these fees cannot exceed 25 percent of the account's initial credit limit, a card issuer that, for example, charges a \$75 fee to apply for a credit card with a \$400 credit limit generally would not be permitted to charge more than \$25 in additional fees during the first year after account opening. (2) When evaluating a consumer's ability to make the required payments before opening a new credit card account or increasing the credit limit on an existing account, card issuers must consider information regarding the consumer's independent income, rather than his or her household income. With regards #1 above, this rule would essentially eliminate the ability of people with bad credit a viable option, through credit cards, to improve their credit. The unintended consequence of this rule would be major - no way to improve your credit standing, more expensive avenues to get credit (ie. payday lending), and further loss of options to the consumer. In addition, it is the well-documented intent of the law to NOT include fees as part of the 25% limit prior to open access to credit. With regards to #2 above, I believe this is discrimination against those whom, for various reasons, rely on a secondary non-independent income. An obvious example is stay-at-home-mom's. Please reconsider!!