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Subject: Reg Z -- Truth in Lending

Comments:

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The following comments are provided regarding: Docket No. R-1393; RIN 7100-AD55
Proposed rule to amend Truth-in-Lending (Regulation Z) To: Federal Reserve Board As someone both personally and professionally involved and impacted by the numerous implications of the CARD Act, it is with disbelief that I heard of the Federal Reserve's latest interpretation of said law. The proposed ruling from the Federal Reserve clearly changes the CARD Act as passed by Congress, thereby suggesting the Board can exceed their authority and in fact change the laws of the CARD Act without following the required due process. Our elected officials implemented a number of requirements through the CARD Act that while professionally challenging, obviously have a positive impact to a small group of consumers. While I believe the CARD Act itself is ultimately restricting access to credit for a large majority, and making it more expensive for those like me who have a strong credit rating, the recent proposal from the Federal Reserve is an ill-guided attempt that will only result in tightening credit access even further. Section 226.52 Limitation on Fees The Federal Reserve's suggestion (that implementing regulations to include pre-account opening fees in the 25% limitation during the first year after the account is opened) is inconsistent with the clearly written law passed via the CARD Act. I strongly disagree with the Board's conclusion that Congress intended for something other than what was passed into law. Section 105 of the CARD Act clearly and 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 other interpretation 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 as such. The Act goes on to strengthen the point even more so by stating 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. After spending 16 years in the credit industry, I can say without question that the challenges to the industry in the past 18 months are some of the greatest I have seen. I have never been less certain about my employment status, and the overall impact to personnel that could result from this proposal are even more disconcerting. Considering the law as it was written and clearly intended, I would urge the Board to not adopt the proposed rule to restrict pre-account opening fees that are not charged to the account. Thank you for your consideration.