

From: Randy Groenhagen  
Subject: Reg Z -- Truth in Lending

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Comments:

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Jennifer J. Johnson Secretary of the Board Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, North west Washington, DC 20551 Re: Docket No. R-1393 and RIN No. 7100-AD55 - Proposed Amendments to Regulation Z Dear Ms. Johnson: The Federal Reserve is one of the most powerful economic institutions that were granted the power over money and its regulation of its value. As a proud citizen of the United States, consumer of products, husband, armed forces veteran, former manufacturing industry employee, and an employee of a financial institution, I feel the Federal Reserve plays a vital role in our economic engine today. However, I strongly feel that my elected Congress is solely responsible for making law, and the Federal Reserve should enforce them and not be in the business of rule making. The Federal Reserve's proposal would change the CARD Act passed by Congress and implement new regulations by including pre-account opening fees in the 25% limitation during the first year. The law is not for interpretation, the law is clear and concise. If Congress's intent was to limit fees pre-account opening then it would have been referenced as such, or further definition within the law to the term 'account is opened' would be defined. The law is clear as written by Congress. Implementation of this proposal by the Federal Reserve based upon an assumed intent is clearly outside the scope of the Federal Reserve's function(s) and is not in the best interest of the consumer. As a consumer, I strongly feel that obtaining credit is important in today's free market society. I want the responsibility to choose, whether to purchase a product or service. Making a financial decision to purchase a product or service is the responsibility of the consumer. Do I pay in cash or do I use the credit card to extend me a line of credit? In today's market, you are rewarded with discounts to use the credit card at department stores. Why not save 20 percent on a purchase, if you know you can pay the bill and you did your homework on the details of the transaction. By doing my homework I can determine if this

product or service is beneficial to me. I want the opportunity of choice to work with the service provider, or simply choose to do business elsewhere. If I make a bad financial decision, I want the opportunity to choose a service that will help me build my credit worthiness. Life is about life experiences through the choices we make. I feel that the financial industry does serve a purpose to help those consumers that have less than perfect credit. It gives the opportunity for these consumers to build their credit worthiness. And yes, this involves more risk, so financial institutions may need to offset risks by assessing fees based upon past performance. Congress passed the CARD Act, which already sets fee limits. The Federal Reserve's proposal would change the CARD Act passed by Congress by including pre-account opening fees in the 25% limitation during the first year. Continuing to further limiting the fee(s) that the creditor(s) can assess will just further hamper the ability for the financial institution to off-set risk. This will have an adverse affect on businesses that rely on the availability of consumer credit to purchase their goods and services. Many businesses will be force to take cost saving initiatives that will include job loss, and will limit the availability of goods and services to these consumers. This equates to more bad news for the American people. As a husband and armed forced veteran, I am concerned for spouses of military members that are deployed abroad for long period of times. Many spouses of military members are responsible for finances while they are deployed. Many have power of attorneys to handle the affairs. How will proposals to 226.51 affect these spouses? If the spouse is widowed how does the spouse establish credit? How does a stay at home mom establish credit worthiness? Both spouses today rely on both incomes to pay for credit card payments. This is the reality today and it appears that the proposal to 226.51 does not take the joint income into consideration. What's the financial benefit of getting married? What about a divorced spouse? How is a divorced spouse to establish credit? I am clearly opposed to the proposal of 226.51. Proposal to 226.51 appears to discriminate against women and marriage. Although, I feel that the board has good intentions, I strongly feel that these proposals should not go forward. I do not see how these proposals benefit the consumer with good credit or bad credit. In contrary, many consumers will lose access to credit as responsible financial institutions will take immediate action not to do business if they can not off-set risk. Business is about risk, if government regulation makes business too risky that equates to higher failure. At the end of the day the onsumer and supplier relationship should run the free market, and if we continue to apply thoughtless federal regulation in the equation, we will continue to see the American people suffer. Thanks for taking time out of your busy schedule to listen to my concern. I respectfully ask that the board not to go forward with these proposals.

Sincerely, Randy R. Groenhagen