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Subject: Truth in Lending

Jennifer L. Johnson, Secretary
Board of Governors
Federal Reserve System
20th and Constitution Ave., N.W.
Washington, DC 20551

Here are my comments regarding credit cards. My comments are prompted by a recent experience with Juniper Bank of NJ. I have used a credit card for over 30 years. My spouse and I pay our credit cards in full each month. Juniper Bank in cooperation with Sinclair gas stations offered a master card which discounted each gallon of gas. Juniper Bank wanted my bill to be paid electronically each month, which I agreed to do, but I wanted to receive a statement each month first.

Juniper Bank uses a "floating due date" i.e. each month the day the bill is due can vary by up to 5 days. It is also based on a 25 day payment cycle.

There were many misadventures with Juniper Bank in just an 8 month period. Based on my experience and as a former banker and in light of the current unfair trade practices law suit filed by Safeway, Albertsons, Kroger and others against Visa & Master Card; I make the following recommendations.

- 1) credit card companies can only charge their lowest risk customers a maximum of 300 basis points over prime.
- 2) credit card companies can only charge their medium risk customers a maximum of 600 basis points over prime.
- 3) credit card companies can only charge their highest risk customers a maximum of 900 basis points over prime.
- 4) If a customer represents a risk higher than 900 basis points the credit card company may have to decline the opportunity to do business with that customer.
- 5) ALL, Credit card customers have 30 days from the billing cut off date in which to pay their bill.
- 6) There are no floating billing cycles. Minimum billing cycle date is 30 days.
- 7) If a credit card company wants to handle statements and payments electronically, then they must have a method to confirm that the customer received the electronic statement.

This concludes my comments. Thank you, Randy.

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