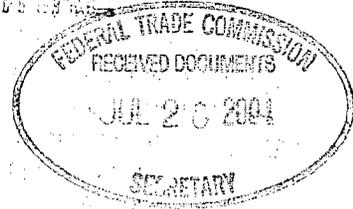


Elizabeth J. Galindo

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July 17, 2004

Federal Trade Commission
Office of the Secretary
Room H-159 (Annex N)
600 Pennsylvania Ave., N.W.
Washington, DC 20580

Re: FACT Act Scores Study; Matter No. P044804 - Comments

Credit card companies should not be able to change a term of agreement without just cause by the responsible party. The credit card company makes a promotional offer with a low interest rate agreement and using the same information that was used when initiating the offer, later renege on this agreement. It is unquestionable the sleazy marketing and price gouging tactics that are being allowed by lenders today using the "scoring method" to distort the picture so as to validate their unprincipled lending practices. If I agree to borrow on credit at a rate that is comfortable for me and I do not falter on my responsibility in repaying the loan as was agreed when I accepted the offer, and have not faltered on any of my other debt obligations that might raise concerns regarding my commitment to repay my debt, then I am hard put to understand how the lender can change the terms. I borrowed the money based on those terms and would not have done so had I known that the terms would change on me after I consumed the debt. If this is not unfair lending practices I don't know what is. Furthermore, these "Change of Term Agreements" are mailed out with the statement, which also contains other marketing and sales material that I am not interested in and always throw away. If the study does not think that changing terms on an agreement is not an unfair lending practice in itself, then the least they could do is require that the change in terms notice be delivered to the consumer in a separate mailing absent all other marketing and billing information. To place this notice in an envelope with other distractions such as the statement itself and other promotions and marketing material almost guarantees that it will get overlooked or discarded without notice. Thus, allowing the lender to change the term, leaving the consumer without any recourse, much to the benefit of the lender. I find myself forced to read all promotional material that I would rather just discard but I am afraid that I will miss that one notice that will keep me forever in debt to the lender because I failed to see the notice and respond in a timely manner. If this is not gouging the consumer I do not know what is. If the lender is so concerned with the ability of the consumer to repay their loan they should simply close the account. Why would they want to take any further risk if their concerns are valid enough to increase the rate to begin with? And last, if a consumer happens to notice the change in terms notice shoved into the envelope with other marketing pamphlets and chooses to close the account then the account should be closed, period. How can the lender keep the account open after you have given them written notice to close it and why would they want to keep it open? Why indeed?

FTC

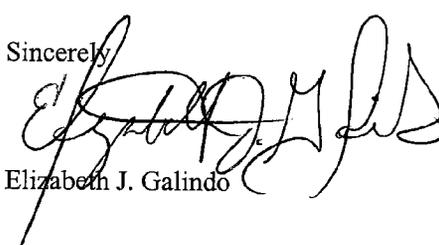
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The same banks that are breaking agreements and further abusing the responsible debt consumers in our society are using this "scoring" method to offer college students who have no credit history whatsoever a low interest rate loan, which begs to question the validity of the scoring method other than serving the greedy interest of the lenders. The credit card companies own actions do not suggest that they are as concerned about risk as they are in using the scoring system arbitrarily as a means to gouge the consumer in any way they see fit. Consumer protection against gouging of this sort ought to be a real concern of this study.

Sincerely


Elizabeth J. Galindo