

Submitted for the record by:

The Honorable Emanuel Cleaver

Hello,

I don't know if you will remember me or not. I called about a week ago because I was upset and I wanted to let Congressman Cleaver know why. You had asked me if I would mind sending you an email about it and I said I would. I'm sorry that it has taken me so long to get this sent to you. I really appreciated you taking the time to talk with me and listen to my complaints.

I will try to keep this as short and to the point as possible. Basically, I called because I was upset about what the credit card companies are doing now as a result of the economic crisis. Right before I talked to you, I had received my third notice from a credit card company saying that because of the economy they were going to raise my interest rates. I was upset because these credit card companies are owned by the banks and financial institutes that were "bailed out" by the government with taxpayer money. And this is how they were repaying the taxpayers by raising their interest rates.

I have been blessed with steady work since 1995 and I was able to pay my bills and establish good credit. I have had all of these credit cards for quite a few years now and my interest rates were very low. My parents and my brother weren't quite as fortunate and had debts on credit cards with high interest rates. Because most of their payments went toward the interest their balances weren't going down very fast. I had helped them out by transferring their balances over to my credit cards since I had very low interest rates. I make the payments and they pay me back each month. Now the credit card companies are raising my rates so that doesn't really help any of us out. My parents have also received similar notices about the credit cards that they still have.

American Express was the first credit card company to raise my interest rates. They sent me a notice late last fall and raised my interest rate from 12.99% fixed to 15.99% fixed. Next, I received a notice in January from Chase saying that they were raising my interest rate from 7.6% fixed to 12.24% fixed. The day I called you, I received a notice from Capital One saying that they were raising my interest rate from 9.99% fixed to 17.9% variable. They all sighted the economy as the main reason for the changes. I closed my account with American Express and I will be closing my account with Capital One too. Fortunately, Capital One will let me keep my existing interest rate after the account is closed while I pay off the balance.

I have been out of work for about a year now and I have been able to continue to pay all my bills on time, but I know that there are many families who struggle to pay their bills each month because they are also unemployed. I'm sure that many of them have been using a credit card to up pay for things and now they are facing the same problem. The interest rates on their credit cards are going up making it harder to pay the balances down and if their payments go up they might not be able to pay the bills.

It is just so upsetting because I worked hard to establish good credit and now because of the economic crisis we are in they are doing this. I understand that they are businesses and they have to make money to stay in business, but they are to blame for part of the mess that we are in. They received taxpayer money to help bail them out and now (pardon the expression) they are sticking it to the taxpayers again! The president is trying to stop the downward spiral the economy is in by getting people to spend which will in turn create jobs, but the banks/credit card companies seem to be doing the opposite. Instead of extending credit, they will cause people to

spend less and/or close their accounts. People will only buy what they have cash for and if they don't have the money they will do without.

That's why I was so upset the day that I called Congressman Cleaver's office. I didn't know if he or the president knew what these banks/credit card companies were doing after receiving the bailout money or not. I just felt that something needed to be done about this.

I'm sorry this email isn't quite as short as I was hoping it would be, but I do appreciate your time and thank you again for listening. If you could please pass this along to Congressman Cleaver, I would really appreciate it. It may not do any good, but it can't hurt.

Sincerely,

Lee's Summit, MO resident
Constituent of MO's Fifth District