



June 8, 2012

Monica Jackson
Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

Re: *Truth in Lending (Regulation Z)*
Docket No. CFPB-2012-0015, RIN 3170-AA21

Dear Ms. Jackson,

The American Financial Services Association (“AFSA”) welcomes the opportunity to respond to the Consumer Financial Protection Bureau’s (“CFPB”) proposed rule (“Proposed Rule”) amending Regulation Z, and the official interpretation to the regulation. AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. Its 350 members include consumer and commercial finance companies, auto finance/leasing companies, mortgage lenders, mortgage servicers, credit card issuers, industrial banks and industry suppliers.

Regulation Z generally limits the total amount of fees that a credit card issuer may require a consumer to pay with respect to an account, limiting fees to 25 percent of the credit limit in effect when the account is opened. Regulation Z currently states that this limitation applies prior to account opening and during the first year after account opening. AFSA supports the CFPB’s Proposed Rule that would amend Regulation Z to apply the limitation only during the first year after account opening.

The Proposed Rule clearly implements the language of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act), which 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.¹

The language in the CARD Act is unambiguous. It does not limit fees prior to account opening, but during the first year in which the account is opened.

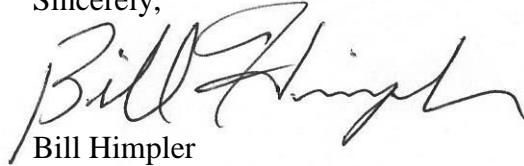
We commend the CFPB for changing Regulation Z to clearly reflect the statutory language. We appreciate that the CFPB has recognized that the current limitations were more

¹ Public Law 111-24, 123 Stat. 1734 (2009).

stringent than allowed for in the CARD Act and we encourage the CFPB to continue to look for opportunities to streamline regulations by eliminating unnecessary provisions

Please contact me by phone, 202-466-8616, or e-mail, bhimpler@afsamail.org, with any questions.

Sincerely,

A handwritten signature in black ink that reads "Bill Himpler". The signature is fluid and cursive, with the first name "Bill" being larger and more prominent than the last name "Himpler".

Bill Himpler
Executive Vice President
American Financial Services Association