

**Statement Of  
BONNIE RUSHING  
Naples, Florida  
Before The  
Senate Permanent Subcommittee on Investigations  
Hearing On  
*Credit Card Practices: Unfair Interest Rate Increases*  
December 4, 2007**

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I am Bonnie Rushing. I live in SW Florida and I work with attorneys. My profession is as a corporate paralegal. I am here before you today to relate to you my recent experience with Bank of America. I am compelled by this experience to share it in hopes that by doing so you will be compelled to prevent what happened to me from happening to others in the future.

A year ago I lost a good paying job due to downsizing. That cost me over \$20,000 in annual salary, an ample annual bonus, and a substantial amount in medical benefits. In spite of this I have never missed or even been late on any payment obligations to my credit card companies or otherwise.

In May 2003 I received an AAA sponsored credit card solicitation from MBNA Bank with a 0% promotional interest rate and a 5% gasoline rebate through January 2004. In October 2006, Bank of America replaced MBNA as the bank supporting this card. Since 2004, the interest rate was always 7.90% and that did not change when Bank of America first took over. However, when I received my April 2007 statement, it showed an interest rate of 22.90% with a minimum payment of \$674 due May 8<sup>th</sup>.

On April 21, 2007, a Saturday, I contacted Bank of America (FIA Card Services) ("FIA") to discuss the change in interest rate on my account. At that time I talked with Claudette. I explained that I did not understand the change in interest rate. Claudette stated that I had been sent a change in terms and had not responded; therefore the interest rate on my account had been increased to 22.9%. I explained that I had not received any change in terms notice, and if the company would either resend the notice or simply take this as my rejection of the change in terms we could resolve this matter. Claudette advised that it did not matter whether or not I received the notification, the terms of my account had been changed and I did not have any recourse at this point other than to (i) accept the increased interest rate, (ii) pay off the account with another credit card, or (iii) disclose my financial information to her so that AAA could renegotiate another (higher than 7.9%) interest rate on the account. I tried to reason with Claudette, but she pressed me very heavily to renegotiate the interest rate of this account or transfer the balance of this account to another credit card.

When I was going through this process I could not believe that a bank could be so unwilling to help a customer with this type of an issue. I kept trying to find a way to understand

why they were so uncooperative. The bank's employees with whom I dealt appeared intimidating and that disturbed me. I still remember how I felt when talking with both Claudette and Mr. Watson, her supervisor. I was not angry, I was deeply anxious by what they were insinuating about my credit and this account. The outcome of this matter was going to deeply affect how I paid my other bills and significantly impact my financial situation. I am the major wage-earner in my family because my husband is retired due to health issues. Our income is supplemented some by his small pension and social security.

I felt under a great deal of pressure during our entire conversation to do as Claudette wanted me to do regarding this account. I had to keep resisting from being intimidated into making the wrong financial decision. I advised that the issue was that I had not received the notification of the change of terms until I received my April statement and that the April statement was my "notice of change of terms." I was now contacting the company and advising that I was rejecting the change. I did not want to renegotiate the interest rate. I then advised that I wanted to close the account at the 7.9% interest rate I had before, as was my right, in order that this matter be finally resolved. Claudette said that was not an option. I asked to speak with a supervisor and she stated that a supervisor was not available. She stated that if I wanted, one would call me back within 24 hours and I requested that a supervisor do so.

The only thing the supervisor, Mr. Watson, would do, when he called, was renegotiate the interest rate to a lower than 22.9% (but higher than 7.9%) interest rate on the account. I just wanted to be reasonable and close the account at the 7.9% interest rate, pay off the balance and never use the account again. Mr. Watson rejected that compromise and indicated that the bank need do nothing it did not want to do. I asked Mr. Watson about the notification letter and why the company could not send me another copy. Mr. Watson stated that the company does not have any responsibility to keep copies; he also said that they send out hundreds of this type of form letter daily.

This matter was resolved by the card sponsor, AAA, intervening on my behalf and negotiating with Bank of America to reduce the rate to a fixed interest rate of 7.99 percent. As a result of this reduction, Bank of America issued credit totaling \$610.68 for overcharged interest on my account for the time my account had been at the 22.9% interest rate. A bank executive told me that the bank decided to change the terms because I am a good, long-time customer and they did not want to lose my business. I think that a company does not treat a good, long-time customer, whose business it does not want to lose, as I was treated by its employees.

The reason I am here, before you today, is because of all the people who did not get that break, who did not have AAA behind them, who do not have the ability to write a letter that may catch someone's attention, who do not have the ability to carry their account for 2-3 months or longer, and who are now or will in the future suffer as a consequence, far greater than I ever will. It is for each and every one of them that I am asking you to hear what happened to me.

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