

Lightspeed Research

Credit Card Terms Tracking Study

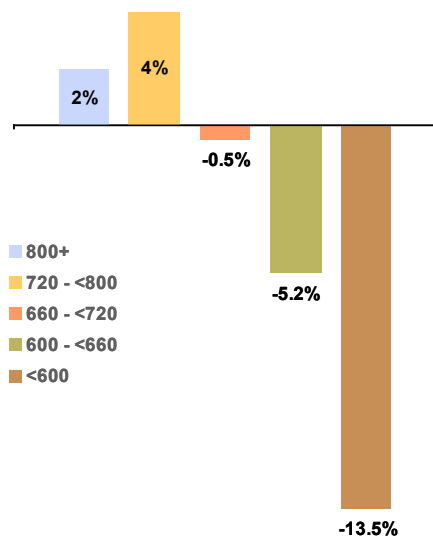
IMPORTANT NOTICE OF CHANGE IN TERMS
EFFECTIVE WITH YOUR FEBRUARY 2009 STATEMENT

The credit card industry is undergoing unprecedented change from a regulatory and competitive perspective. The monthly Credit Card Terms Tracking Study shows you how your competitors are changing terms on customers' accounts and enables you to benchmark your own strategies, including pricing, fees, min pay and rewards.

Study Background

This monthly report is based on terms change notifications received by a representative sample of US consumers in the preceding month. We collect notifications mailed by the top 10 card issuers in the US and smaller issuers as available. The report summarizes the change notifications by issuer and category and includes detailed descriptions and images of each significant item. The report is further supplemented by data and insights derived from the Lightspeed Research Behavioral Tracking Panel related to grace periods, credit line trends and APRs.

Year Over Year Credit Line Change
By Risk Score, November 2008



Timely and Insightful

Since the change in terms notifications are gathered on a monthly basis, the information is continuously updated and often provides the first indication of emerging trends. Current clients leverage this report to learn what competitors are doing or to verify changes that have been reported (or sensationalized) in the media.

Collected and analyzed by Lightspeed's seasoned Financial Services team, this report highlights the terms changes that are truly important while providing a breadth of data for your use.

Replace current Section 10 with the following new Section 10:

10. APPLICATION OF PAYMENTS. We have the right to apply payments to your Account in the order and manner we determine in our sole discretion. Generally, we apply payments first to previously billed Finance Charges; then, to the Previous Balance; then, to the New Balance. If, when a Promotional Credit Plan balance becomes due, we receive a payment equal to or greater than the full amount due for that balance, we will apply your payment first to the Promotional Credit Plan balance, and then in the priority described above. If multiple Promotional Credit Plan balances become due in the same Billing Cycle, we will apply your payment to the Promotional Credit Plan balances in order, from oldest to newest based on the purchase date.

We invite you to contact the Lightspeed Research Financial Services Group to download a sample copy of the Credit Card Terms Tracking Study.

Credit Card Terms Tracking Study from Lightspeed Research

Sample Pages From Recent Reports:

Competitive Summary: Penalty Fees

	American Express	Bank of America	Capital One	Chase	Citi	Discover	HSBC	US Bank	WaMu**	Wells Fargo
Late Fee	\$35 for first late payment. Each successive non-payment by the following billing cycles may be charged with additional \$35 or 2.00% of amount past due. (Effective Dec 2008)	Uprromise card: Based on outstanding balances: \$0 - \$100=\$15, \$100-\$250=\$20, >\$250=\$30 (Effective Mar 2009)	Late payment fee based on balances when fee is applied: \$0 - \$99=\$15, \$100-\$249.99=\$20, > \$250=\$30 (Effective Jan 2009)	1. For Flexible card, based on balances: \$0-\$250=\$15, > \$250=\$30 2. For AARP card, fee is \$35 (Effective Feb 2009)	For multiple cards, fee is based on balances: <\$100 = \$15, \$100-\$250 = \$20, >250 = \$30 (Effective Dec 2008)	No change reported	No change reported	No change reported	Multiple cards, fee is based on balances: \$0-\$100=\$15, \$100-\$250=\$20, >\$250=\$30 (Effective Mar 2009)	Fee is based on balances: < \$250 = \$20, \$250-\$500=\$20, > \$500 = \$30 (Effective Nov 2008)
Overlimit Fee	No change reported	Uprromise card: Based on balances: \$0-\$100=\$15, >\$100=\$20, >\$200=\$30 (Effective Mar 2009)	Over-the-limit fee based on credit limits when fee is applied: \$0-\$499.99 = \$19, >\$500 = \$30 (Effective Jan 2009)	1. None for the AARP card 2. \$20 for the Flexible card (Effective Feb 2009)	For multiple cards a \$30 overlimit fee is charged at any point of billing period, even if a result of fees or finance charges, or if account balance returns to below the credit line at the end of the billing cycle. (Effective Dec 2008)	No change reported	Best Buy card overlimit fees are now \$30 (Effective Jan 2009)	No change reported	\$30 (Effective Mar 2009)	\$35 (Effective Nov 2008)
Returned Payment Fee	No change reported	\$30 (Effective Mar 2009)	\$30 (Effective Jan 2009)	1. AARP card: \$30 2. Flexible card: \$20 (Effective Feb 2009)	For multiple cards, \$30 will be assessed upon first time check is not honored, even if it is honored upon resubmission. (Effective Dec 2008)	No change reported	\$35 (Effective May 2008)	No change reported	\$30 (Effective Mar 2009)	\$30 (Effective Nov 2008)
Returned Convenience Check Fee	No change reported	\$30 (Effective Mar 2009)	No change reported	Flexible card: \$20 (Effective Feb 2009)	For multiple cards, \$30 will be assessed upon first time check is not honored, even if it is honored upon resubmission. (Effective Dec 2008)	No change reported	No change reported	No change reported	No change reported	\$30 (Effective Dec 2008)

Key details of terms changes are summarized in tables with more detailed descriptions by issuer. Images of key terms changes are included in the report, but all are stored in our database and can be delivered upon request.

*Blue cells show most recent or imminent changes. Grey cells show changes recorded within past year.
** See Additional Notes and Appendix for more details. WaMu has since been acquired by Chase and new terms were sent out following this. Bank of America is taking over Citi Uprromise accounts. Wachovia has also issued new changes in terms.

Distribution of Current Grace Period Length

Total Accounts: November 2008

	American Express	Bank of America	Capital One	Chase	Citi	Discover	HSBC	US Bank	WaMu	Wells Fargo
Average grace period	21.2	23.4	25.4	22.3	23.3	29.1	25.0	22.6	27.0	25.4
< 20 days	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20 days	77%	32%	0%	54%	20%	0%	3%	47%	0%	0%
21 days	0%	0%	0%	0%	5%	0%	1%	0%	0%	0%
22 days	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23 days	0%	1%	0%	0%	35%	0%	5%	0%	0%	0%
24 days	0%	12%	0%	0%	0%	0%	3%	0%	0%	0%
25 days	22%	49%	81%	46%	32%	3%	62%	53%	0%	80%
26 days	0%	2%	15%	0%	3%	15%	27%	0%	0%	2%
27 days	0%	0%	0%	0%	2%	0%	0%	0%	100%	17%
28 days	0%	1%	0%	0%	4%	0%	0%	0%	0%	0%
29 + days	1%	3%	4%	0%	0%	82%	0%	0%	0%	0%

Additional data, such as grace period length by account type (transacting vs. revolving accounts), are collected and analyzed by the Lightspeed Research team and provide valuable insights into industry trends.

Source: Credit card statement data, Lightspeed Research. Base is accounts with a minimum payment required.