

~~guarantor, or joint accountholder who assumed liability at account opening agrees in writing to assume liability on the increase.~~

~~§ 226.52 Limitations on fees.~~

~~(a) Limitations during first year after account opening. (1) General rule. Except as provided in paragraph (a)(2) of this section, if a card issuer charges any fees to a credit card account under an open end (not home secured) consumer credit plan during the first year after the account is opened, the total amount of fees the consumer is required to pay with respect to the account during that year must not exceed 25 percent of the credit limit in effect when the account is opened.~~

~~(2) Fees not subject to limitations. Paragraph (a) of this section does not apply to:~~

- ~~(i) Late payment fees, over the limit fees, and returned payment fees; or~~
- ~~(ii) Fees that the consumer is not required to pay with respect to the account.~~

~~(3) Rule of construction. Paragraph (a) of this section does not authorize the imposition or payment of fees or charges otherwise prohibited by law.~~

§ 226.53 Allocation of payments.

(a) General rule. Except as provided in paragraph (b) of this section, when a consumer makes a payment in excess of the required minimum periodic payment for a credit card account under an open-end (not home-secured) consumer credit plan, the card issuer must allocate the excess amount first to the balance with the highest annual percentage rate and any remaining portion to the other balances in descending order based on the applicable annual percentage rate.

(b) Special rule for accounts with balances subject to deferred interest or similar programs. When a balance on a credit card account under an open-end (not home-secured) consumer credit plan is subject to a deferred interest or similar program that provides that a consumer will not be obligated to pay interest that accrues on the balance if the balance is paid in full prior to the expiration of a specified period of time:

(1) Last two billing cycles. The card issuer must allocate any amount paid by the consumer in excess of the required minimum periodic payment consistent with paragraph (a) of this section, except that, during the two billing cycles immediately preceding expiration of the specified period, the excess amount must be allocated first to the balance subject to the deferred interest or similar program and any remaining portion allocated to any other balances consistent with paragraph (a) of this section; or

(2) Consumer request. The card issuer may at its option allocate any amount paid by the consumer in excess of the required minimum periodic payment among the balances on the account in the manner requested by the consumer.

~~§ 226.54 Limitations on the imposition of finance charges.~~

~~(a) Limitations on imposing finance charges as a result of the loss of a grace period. (1) General rule. Except as provided in paragraph (b) of this section, a card issuer must not impose finance charges as a result of the loss of a grace period on a credit card account under an open-end (not home-secured) consumer credit plan if those finance charges are based on:~~

~~(i) Balances for days in billing cycles that precede the most recent billing cycle;~~

~~or~~