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Bank of America - A long road to the countries top credit card issuer.

by Derek Lenehan

Bank of America is currently the largest issuer of both credit and debit cards in the United States. It is also third in the nation when measured by assets and handles about 10% of deposits made in the country.

Open for business in 29 states, it's a safe assumption that Bank of America is a large force in credit and banking. More evidence supporting my very vague claim can be drawn from the bank's purchase of MBNA last year. MBNA was formerly the largest issuer of credit cards in the country.

More interesting than its acquisitions and statistics is Bank of America's history. The bank's roots, while wide-ranging, can be followed all the way back to the Bank of Massachusetts, which was the hot new thing on the block back in '84. 1784, that is.

Perhaps more interesting than a few lame history facts would be Bank of America's curious checking policy that landed them in court in 1999. The policy is that the biggest check is processed first, regardless of chronology. Some people (namely the sort that filed the lawsuit over this) felt that it was a technique to drive up overdraft charges. For example, say you have \$11 in your checking account. Like I do. Maybe \$11.50. Anyway, you have \$11 and you cut a check for \$0.25, for a piece of bubble gum. Then you issue another check, this time for a chocolate bar for \$0.75. Then another check for a movie, we'll say a matinee for \$5.00. Finally you go home and pay a utility bill for \$396.78. Clearly you will be hit with an overdraft charge. However, Bank of America would process the bill first, then the movie, then the chocolate, then the gum. You would be charged four overdraft charges. Quirky, isn't it? Well, maybe not so much. Wachovia, Chase, and Citibank also do the same thing. The suit ended with a \$9 million settlement.

That wouldn't be the last time Bank of America would find itself in court. In 2004 the bank was accused of assisting in the fraudulent activities of a quaint little company called Enron (settled for \$63 million). The same year a California jury decided the bank illegally tampered over a million customers' Social Security Benefits. That case may cost the company over \$1 billion.

But hey, you know, it's America, half of our idols are in court all the time. We shouldn't begrudge Bank of America for doing what banks do, which is usually finding clever ways to make more money at the everyday person's expense.

So aside from a tainted recent reputation, the bank still does plenty of business issuing more debit and credit cards than anyone else. That's not a combined figure, Bank of America tops both types of cards. Take a look at your card, you might not be too surprised to see who issued it.

by Derek Lenehan

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