

PROVIDIAN

P.O. Box 9076
Pleasanton, CA 94566-9076

August 20, 2003

Mr. Mark W. Mumma
11804 Silvermoon Drive
Oklahoma City, OK 73162-1092

Re: Providian National Bank
MasterCard Account No. XXXX-XXXX-XXXX-5985
MasterCard Account No. XXXX-XXXX-XXXX-2959 (*Lost/Stolen, Transferred to 5985*)
BBB File No. 57033952
OCC File No. 439341
Providian File No. 90997

Dear Mr. Mumma:

This letter is in response to your complaint to the Better Business Bureau (BBB), a copy of which we received on August 8, 2003. We also received a similar complaint filed with the Office of the Comptroller of the Currency (OCC), a copy of which we received August 19, 2003. I appreciate the opportunity to address your concerns regarding the owing balance on the above referenced MasterCard account ending in 5985.

For your convenience and review, I have enclosed a copy of the signed reply card we received in order to open your account ending in 2959, and a copy of our letter dated June 25, 2003, which was sent to you by Ms. Brenda Narcisse of our Executive Office. In addition, I have enclosed a copy the Account Agreement that governs this account, and copies of the information contained in your August 1999 through August 2003 billing statements, with the exception of the February 2001 billing statement, which will be sent to you under separate cover.

Please note that the August 1999 through March 2002 billing statements were mailed to the 2534 NW 18th Street, Oklahoma City, Oklahoma 73107-3933 address, which is also printed on the \$290.00 payment check you sent to us. Your April 2002 through June 2003 billing statements were mailed to your address listed at the top of this letter, which is the address you provided to the BBB and OCC as your contact information. In June 2003, you changed your mailing address from the 11804 Silvermoon Drive address, listed at the top of this letter, to P.O. Box 720602, Oklahoma City, Oklahoma 73172-0602, which is the address listed on your July and August 2003 billing statements. We have no record of any mail sent to these addresses being returned by the U.S. Postal Service as "undeliverable."

A review of our records indicate that the above referenced account ending in 2959 was established as a result of the enclosed reply card, which we received in July 1999. By receiving the signed reply card, Providian received authorization to verify the appropriate information and to open an account for you under all the Terms and Conditions of the account disclosed in your Account Agreement. In addition, by signing the reply card, you agreed to be bound by the Account Agreement, which was sent to you when the account was opened, a copy of which was sent to you by Ms. Narcisse. Your account ending in 2959 was reported "lost/stolen" in July 2001, at which time we closed this account and transferred the associated account information to your account ending in 5985, which continued to be governed by the same Account Agreement.

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Due to a clerical oversight in our previous letter, Ms. Narcisse inadvertently advised you that your account balance, as of June 25, 2003, was \$2,899.69. The correct balance as of June 25, 2003, was \$4,720.49; however, as of the date of this letter, your account balance is \$4,967.72. We are sorry for any misunderstanding this oversight may have caused you.


As disclosed in Ms. Narcisse's letter, and in accordance with the Account Agreement that governs this account, "We may accept late or partial payments, or payments marked 'paid in full' or marked with other restrictions, without losing our right to collect all amounts owing under this Agreement." On May 5, 2003, we received and processed your \$290.00 payment, a copy of which we received with your complaint. Although we processed and accepted your payment stating your payment was "settlement in full" and that endorsement of the payment in question was "acceptance of same as full and complete settlement" of your MasterCard account ending in 5985, your account is not "settled" and we may continue to collect on the owing balance as described above. Consequently, we must respectfully decline your request to advise the major credit reporting agencies (Equifax, Experian, and TransUnion) that your account is "paid in full."

With regard to your previous request to reverse any settlement agreement by returning to you the \$290.00 payment we processed, we are unable to comply with your request to return this payment to you because this was a payment against a valid debt and was not a "settlement in full" for your MasterCard account ending in 5985. Please keep in mind that the minimum amount due on or before the required due date of May 4, 2003, as listed on your April 2003 billing statement, was \$290.00. The payment amount we received and posted on May 5, 2003, was only sufficient to cover the minimum amount due.

Before closing, all the enclosed information is considered validation that the above referenced MasterCard accounts were correctly established under your name and personal information, and that the owing balance is valid. As of the date of this letter, your account is 74 days past due and is at risk of being closed involuntarily. As a result, we are unable to comply with your request to advise the credit reporting agencies your account is being "paid as agreed." We encourage you to pay your current minimum payment of \$571.00, which includes your past due amount, on or before the required due date of September 2, 2003, as listed on your August 2003 billing statement, to bring your account current.

Thank you for taking the time to bring your concerns to our attention. We hope that the information contained in this letter has assisted in clarifying this matter for you. Should you have any further questions regarding this matter, you may contact me directly at (925) 738-5158, or (800) 322-2274, extension 5158, Monday through Friday, between the hours of 8:00 a.m. and 5:00 p.m., Pacific Standard Time.

Sincerely,



Carlos B. Argueta
Customer Relations

Cc: Ms. Robin Frates, Better Business Bureau
M. Fornasar, Office of the Comptroller of the Currency

Enclosures