

From: South Atlantic Federal Credit Union, Lisa Full
Subject: Reg Z - Truth in Lending

Comments:

To Whom it May Concern:

I am the CEO of South Atlantic Federal Credit Union and wish to voice my concern and get some clarification from your office in reference to the new Credit Card Act. I understand the Credit Card part of the act and agree with it totally. As a small Credit Union our concern is our members which some of them are very low income earners, so we always make sure they are getting treated fairly. With open ended loans being included this will cause not only confusion but very costly for the credit union and the membership. Our open end contract can be anything from a 60 month auto loan or a 3 year personal loan and so forth. My members choose to pay their loans via payroll deduction every 2 weeks or some may choose every week depending on when they get paid. We do also offer coupon books depending on what is best for our members, it is their choice.

The hardship for us will be mailing out a statement to let them know that they have a payment due when it is already coming out of the payroll deduction. We have many members that are from Haiti or other countries that will not understand this change. This will make it very confusing for the member let alone very costly for the Credit Union. All of our members do not have the same payment dates so to revise all of our loans after they have already made arrangements on them and have worked them into their budgets seems really unfair to them as well.

We are asking for clarification as to why open end loans that have a fixed payment schedule and term be added into this Credit Card Act. I do understand if it is a line of credit which they can pull from, but not a fixed loan that they would have to come to the office to re-apply for further funds. All of our loans also offer a 10 day grace period before any late payment fee can be charged.

Thank you for your time and attention to this matter.

Sincerely,

Lisa M. Full
South Atlantic Federal Credit Union