

From: Mike Schmid  
Subject: Reg Z - Truth in Lending

---

Comments:

To Whom it May Concern:

Our credit union offers Multi-featured Open End plans to benefit our members by allowing them to borrow money and modify their loans without the hassle of stopping into the office to sign papers. I can't believe you have had many if any complaints by members of any credit union about abuses of this program by the credit union which they own. Most of the loans written under our program are fixed rate fixed payment auto and unsecured loans for a specified principal amount.

Creditors generally must mail or deliver periodic statements for credit cards and other open-end consumer credit accounts at least 21 days before payment is due.

If "open-end consumer credit accounts" is defined to include these fixed rate fixed payment loans, we will be forced to either abandon using "multi-featured open-end plans" or charge higher interest rates to our members on these loans because of increased operating expenses.

We would have to send out statements for each and every auto loan or change all of the due dates to the same date or come up with some other "mickey mouse" way to notify a member that the \$250.00 car payments he has been making on the 10th of the month for the last 19 months will be due on the 10th of next month and the amount due will be \$250.00. We are working on a temporary manual fix to comply with the regulation, but it seems our data system was not designed to work the way the this interpretation of the regulation requires.

We agree that payment and/or rate changes should be notified well in advance of due days. In fact, we did not have to change anything to comply with that. The rest does not seem to make sense.

To quote John Prine - "It don't make no sense that common sense don't make no sense no more".

Please reconsider your interpretation of what an open-end plan is.

Thank you,

Mike Schmid