

From: Chattanooga Federal Employees Credit Union, Mitchell D. Mullican  
Subject: Reg Z - Truth in Lending

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Comments:

Dear Sirs,

The new legislation requiring monthly disclosure on all open end loan accounts other than credit cards would create an incredible burden both in software cost, postage cost, manpower cost, and paper cost in period of time of economics that many financial institutions, both credit unions and banks, are finding very difficult to even make a positive income after expense. This additional burden, I am afraid, will be the stimulus that causes many more institutions to fail due to the additional cost this would require. Whereas we do not have a problem with the burden of meeting the needs for credit card loans and disclosures, we do ask that this burden not be applied to all open end loans due to the fact that all of our loans (other than mortgages) are set up this way and meeting the requirements would be very much a burden on the credit union. Not to say how much this would cost the credit union and would cause interest rates to increase to cover the cost. This would probably drive up fees and reduce the ability for the credit unions to pay the good dividend rates we have always afforded our members. All our members would end up being the losers due to the additional burden. Our credit union along with most all other credit unions have been more than fair in how we have charged our members and how we have raised rates or charged fees throughout the years. Why should our members pay for others wrong business practices used in other financial institutions?

Again let me reiterate, we are not trying to avoid the credit card requirements, but ask that you reconsider and withdraw other open end loans from this legislation.

Sincerely submitted,

Mitchell D. Mullican  
Chattanooga Federal Employees Credit Union