

From: Paul Simons  
Subject: Reg Z - Truth in Lending

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Comments:

July 31, 2009

Re. Docket No.R-1364 Credit Card Accountability Responsibility and Disclosure Act

The Honorable Ben S. Bernanke

Chairman

Board of Governors of The Federal Reserve Board

20th and C Streets, NW

Washington, DC 20551

Dear Chairman Bernanke:

Over the last few weeks our management team has done little but try to figure out how we can comply with the 21 day notice provisions of the new Credit Card Accountability Responsibility and Disclosure Act. The problems we are encountering have nothing to do with credit card notices but all to do with provisions as they relate to open end multi-featured plans. While inconvenient to our members who in the past we would allow them to pick a due date convenient for them, in order to comply with the 21 day notice, those with monthly payments will be moved to the end of the month. This will mean that their car payment, vacation loan, student loan etc will now be due the same day as their mortgage. Because we send consolidated statements, for the members convenience, we have no choice but to go to the end of the month. Otherwise members with multiple loans would get multiple statements throughout the month in order to comply with the 21 day notice requirement.

Now comes the real problem for which we just simply can't come up with a solution that satisfies the contract the member signed when taking out the loan and the 21 day notice requirement. This would be for members whose contract is broken down to weekly and bi-weekly payments. I can't just convert them to the end of the month because a bi-weekly payment is made 26 times a year. I can't just change their contract and tell them now you have to pay once a month. I can't send them two periodic statements every month (twice a year they would get three statements throughout the month) that would be truly confusing for the member and expensive for the credit union.

I realize that the Federal Reserve didn't come up with this law but you are charged with writing the rules. As a minimum we need more time for implementation and would certainly like a little guidance on how to deal with contracts written for multiple payment throughout the month.

For a law that was supposed to cure the egregious behavior of a few institutions with unscrupulous behavior, credit unions and their members who were never part of the problem are the ones that will suffer the most because of this law.

Your help is appreciated.

Paul Simons