

From: County-City Credit Union, Barb Schenck
Subject: Reg Z - Truth in Lending

Comments:

To Whom It May Concern:

County-City Credit Union begs for immediate relief from the consequences imposed by the Credit Card Accountability, Responsibility and Disclosures Act of 2009 (Credit Card Act).

As a small credit union we do not yet offer credit cards. The credit card act, however, covers all forms of open end lending, not just credit cards. CCCU offers three products affected by this Act. Home Equity Lines of Credit, Kwik Cash and our Convenience Plus Loan Plan (Loan Liner product from Cuna Mutual Insurance.)

When someone makes a new advance under our HELOC or KC plan they receive a notice that states their new payment amount. The due date does not change, so they know what the due date is for the term of the loan. The CPLP requires the borrower to sign a loan agreement that serves as both the promissory note and the security agreement not just for the initial loan, but for subsequent loans as well. Each advance must be approved, so it is not a revolving line of credit with a credit limit. If we do a car loan it is done under this plan and the loan has the same due date each month, the same payment each month and is typically written for 48 to 60 months, similar to a closed end loan. Each new advance is basically a new loan, so the new loan will have it's own payment, due date, etc. The borrower knows how much the payment will be and the due date will be the same each month. They do NOT need a statement mailed each month. I have been told that about 50% of all credit unions use this type of lending, so this is not a problem unique to County City Credit Union.

Credit Unions have been good lenders whose credit card terms, for the most part, were already in compliance with the provisions of the new law. It appears that the best option for our credit union is to change the due date on all of the affected loans to the 28th of the month. We currently set due dates according to our borrower's budgets. We also have to figure out if our data processor can change these due dates for us or if we have to make all of the changes manually. We would then be concerned with Truth in Lending on new loans. We currently send out consolidated statements to our members.

CCCU feels that this law is penalizing the segment of the lending community (AND it's borrowers) that has done responsible lending all along. It is our hope that Congress can recognize this and take quick action to resolve it.

Thank you for your help!

Barb Schenck
County-City Credit Union