

From: NRCS Federal Credit Union, Pat Brown
Subject: Reg Z - Truth in Lending

Comments:

Board of Governors of the Federal Reserve
20th & C Streets NW
Washington, DC 20551

Dear Sirs:

Complying with the 21-day periodic statement rule of the 2009 Credit Card Act will be a tremendous burden and expense for our small credit union of 1100 members. Periodic statements are sent to our members quarterly, which include share accounts and loans. To comply with the new rule a program will have to be written to produce only loan statements. Most of our members elect to have biweekly, semi monthly or weekly payments to correspond with their payroll. In addition this option affords them a discount on their loan rate, which in turn saves them even more money. To send a monthly periodic statement 21 days before each due date will be almost impossible and extremely confusing for our members. Therefore, our payment due dates will need to be changed to monthly. This will have a negative impact on our members. It will also increase the interest costs associated with the loan.

The Open-End Plan allows Credit Unions to provide more favorable rates and terms on vehicle loans as compared to dealer financing. It also helps to protect the consumer from additional fees and charges that are hidden in a dealer contract. Including open end lending in the Credit Card Act will adversely affect our members with higher rates to pay for the additional programming and statement costs associated with the Credit Card Act.

Preserving the current operations of open-ended lending would be a huge benefit for our membership. Our credit union does not engage in any of the predatory credit card practices this bill was designed to address, yet NRCS Federal Credit Union is unfairly being asked to change a lending system that has worked exceedingly well for our members for over 30 years due to the irresponsible actions of others. Why unfairly punish and burden responsible lenders?

Due to the extreme importance of this issue to our credit union and the rapidly approaching effective date, we are requesting at minimum, a delay in the implementation of the new interim final rule. The August 20th compliance date does not give us sufficient time to work with our data processor on a solution and to provide clear communication with our members.

Pat Brown
NRCS Federal Credit Union