

From: Idaho Credit Union, Rod Robbins
Subject: Reg Z - Truth in Lending

Comments:

Good morning.

I would like to make a very simple suggestion to resolve a very serious issue regarding ALL credit union's compliance with section 106* of the Credit CARD Act. (*This section indicates that a credit union may not treat any payment as late (i.e. - they may not charge a late payment fee, notify CRA's of a late payment, etc.) unless the periodic statement is mailed or delivered at least 21 days before the payment due date. As written, this section applies to any "open end consumer credit plan" and is not, therefore, limited to credit cards. While all other references throughout the act indicate a "credit card account under an open end lending plan," this section (106) simply does not. The failure to mention the words "credit card account" in this section (and this section only) seems to be more of an oversight than an intention.)

To put it simply, the name of the act in question is the "Credit Card Accountability Responsibility and Disclosure Act of 2009" and as such, I recommend that you amend the act to affect "credit cards" and credit cards only. How? By simply changing each occurrence of "open end consumer credit plan" in section 106 to "credit card account under an open end lending plan." Making this small but significant change would allow the focus (and intentions) of the act to remain on credit cards while maintaining the true spirit of the act.

If you desire to further regulate "open end loans and lines of credit" then, by all means, feel free to do so. However, wouldn't it make more sense to contain those enhancements in legislation that was not designed specifically to address credit cards? (Hence, the name "Credit Card Accountability Responsibility and Disclosure Act of 2009.")

In fact, The changes required in order to comply with the Credit CARD Act (in its current form with regard to the 21 day requirement) would cause the following for many (if not most) credit unions:

1. Member dissatisfaction (and even anger) because they can no longer choose their own payment due date for ANY open ended loans or lines of credit.
2. Member confusion and frustration as to why their due dates are changing.
3. Member disappointment and bewilderment as to why credit unions have suddenly become inflexible regarding payments on their open end loans and lines of credit.
4. An enormous cost (in dollars and labor) for big and small credit unions to comply (i.e. - monthly statements for all members, enormous increases in printing, postage and labor expenses, etc.)
5. Those credit unions who can't afford to comply (financially or timely) will be open to class action lawsuits, acquisitions or worse.

By the way, based on what we are seeing and hearing, most credit unions (that currently offer credit cards) are either; 1) already sending credit card statements to their members at least 21 days in advance of their payment due date, or 2) have changed, and are now sending credit card statements to their members at least 21 days in advance!

Please, follow the spirit of the "Credit CARD Act" and take the steps necessary to accomplish its original and intended purpose; that is, to protect consumers by requiring industries to follow more stringent credit card rules and practices.

Thank you!

Rod Robbins
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