

From: NavyArmy Federal Credit Union, Michelle A. Coward
Subject: Reg Z - Truth in Lending

Comments:

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

Dear Sir or Madam,

Navy Army Federal Credit Union is a not-for-profit cooperative located in the South Texas area. We have been in the community since 1955 and currently have over 70, 000 members. With regard to the strenuous issues related to the 2009 Card Act and the August 20th interim rule compliance deadline, we respectfully request a delay in implementation of the interim rule requiring a 21-day notification or periodic statement for open-ended loans. We believe that the Federal Board of Governors has the power to allow for a delay, as this entity has authority over Regulation Z (also known as the Truth in Lending Act).

It is our understanding that the original purpose of the Credit Cardholders" Bill of Rights was to limit the manner by which certain credit card companies take advantage of consumers. By requiring a 21-day notification for all open-ended loans, we believe that the Card Act is departing from its intended role to protect the American consumer.

Navy Army provides open-ended installment and revolving loan products that are very popular with our membership. Navy Army does not participate in activities attributable to various credit card companies, such as penalizing consumers who pay on time, use due date gimmicks to obtain fee income, publish misleading terms, modify limits without member input, or impose excessive fees. Additionally, Navy Army ceased offering credit card accounts several years ago.

Many of our members make loan payments weekly, bi-weekly and semi-monthly (every fifteen days). Does this mean that Navy Army will be required to send out 52, 26 or 24 notices or statements (respectively) a year per account to comply with this rule? We, who do not participate in unfair lending practices, are being penalized because we provide open-ended loans. We are a not-for profit entity required to comply with a rule meant to protect the American consumer from for-profit credit card companies. Of course, this is not the government's intention, but the result is the same.

Compliance with the 21-day rule will cost our credit union much in time, effort, expense and cost the American consumer more in the long run. Additional time and money will be needed to completely reconfigure core software to cope with this requirement. Implementing this rule will overwhelm our staff and internal systems. Navy Army is not-for-profit, so these costs may be passed on to the membership or fewer services provided in future.

With these issues in mind, we again respectfully request that the August 20th implementation of the 21-day rule be delayed. In addition, we request that the language of the bill be modified to exclude any open-end loans and be constrained to revolving credit card loans as originally intended. We appreciate your kind attention to this urgent issue. Thank you for your time.

Very Respectfully,

Michelle Coward
NavyArmy Federal Credit Union