

From: David E. Doss
Subject: Reg Z - Truth in Lending

Comments:

Federal Reserve System
12 CFR Part 226
Regulation Z; Docket No. R-1364

Subject: Docket No. R-1346

Rules relating to changes in the New Credit Card Law, effective August 20, 2009 represent a confusing and burdensome process to implement, and in fact are not consumer friendly. The rules are contradictory, and in some cases impossible to implement in the given time frame..

Action must be taken to clarify and at the same time create an orderly and understandable implementation process.

While we agree with the spirit of consumer protection in this law the fact remains that the "21-day" requirement, as the law is written, would apply to all open-end credit, not just credit cards. This is a confusing subject, as even a bank regulator, The Office of Thrift Supervision, has stated that it only applies to credit cards. If regulators are confused, financial institutions are even more confused.

Language concerning the 21 day grace period is not clear. Does this mean that the due date must be changed to coincide with mailing, or does it mean the statement must be mailed 21 days previous to the due date? Or even more confusing, is it acceptable to disclose that late fees will not be charged until 21 days after mailing no matter what date is disclosed on the statement?

This is creating a hardship for our members. We have always allowed them to select their due dates, now we will be forced to mandate a due date to comply. For our members, due date flexibility allows them to select a payroll date or other convenient time for budgeting. Under this rule, such consumer friendly features would end.

HELOC's are another issue. Terms cannot be changed and changing a due date to comply with the 21 day rule is a change in terms. How can this be accommodated? No clear answer has been provided.

The August 20 deadline itself is burdensome in the fact that it does not allow for time to work with data processing vendors to make needed changes. Even if the changes were fully understood the August 20, 2009 deadline is still not adequate time to implement the changes.

For all these reasons the implementation of Reg.Z Docket No. R-1346 is a burden, is unclear and in cases impossible to comply with. It is not consumer friendly, and imposes a hardship on our members. We respectfully request clarification of the regulation and a delay in its implementation until a reasonable implementation time line can be established.

Sincerely

David E. Doss