

From: United Credit Union, Betty Clark
Subject: Reg Z - Truth in Lending

Comments:

Dear Secretary Johnson:

Thank you for the opportunity to comment on the provisions of the Credit Card Accountability Responsibility and Disclosures Act of 2009.

Although we are working diligently to be ready for the effective date of August 20, 2009, we have major concerns about the 21 day notice rule (Section 106) as it relates to non credit card open end lines of credit and the impact this will have on our membership.

Compliance with the credit card portion will be relatively easy for us - our statements are actually used as a billing device and are sent within more than the 21 days required. However, we have always kept our other open end loans very simple and have allowed our members a large amount of latitude for payment frequency options - weekly, every two weeks, semi monthly and monthly. The largest number of our members pay through payroll deduction and, therefore, do not require billing. This was an automatic process that made it very easy for the member and less expensive for the credit union (in turn less expensive for the member). We send either monthly or quarterly statements as a notice of activity not a billing device. The 21 day statement notice is going to be a major burden and will require us to make changes that will very much limit these payment frequency options and this type of service that we offer to our members in the future.

Obviously, the above previous procedure will not be acceptable under the new CARD Regulations so we are facing the fact that we will either have to increase our costs astronomically (that means our members costs because we are member owned), sending multiple statements, or we are going to have to require monthly payments with due dates that work within the 21 day guideline. Both of these options are more restrictive to our members and/or will cost more and become a burden to our membership - something I do not think was intended when this law was passed. We appreciate your consideration of these issues.

Betty Clark
United Credit Union