

From: Lorraine Howard
Subject: Reg Z - Truth in Lending

Comments:

TO: Federal Reserve Board

FROM: Lorraine Howard - a concerned credit union member

RE: 21-day rule in the Card Act

Good morning. Let me first say that I applaud the Board on their recent actions to improve the credit card industry. Things have definitely gotten out of hand with fees, minimum payments and interest rate programs designed to keep consumers in debt for a lifetime. For those changes, I am thankful.

My goal for this e-mail is to give you a credit union member's perspective on the 21-day rule that's part of the Card Act and how it affects my open-end loans at my credit union.

First let me explain that my credit union is a non-profit financial cooperative. I joined my credit union because membership was offered through my employer. The connection my employer has with my credit union is important. I can use payroll deduction to both save money and pay back loans.

The 21-day rule in the Card Act is applying a credit card payment processing philosophy to my other credit union open-end loans: my car loan, my signature loan, my line-of-credit loan and my share secured loan. All of my payments for these loans are tied to my payroll frequency. When the loans were made, we looked at the calendar and my paydays then picked the payment due dates that fit my pay schedule. It works GREAT! My payments are always made on time. I don't "spend" my payments since they are already taken out of my after-tax check. Even when I'm on vacation or sick, my payments are made for me.

The new rule is going to really mess things up.

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I'm sorry to go on and on, but when you mess with people's money, it gets their attention! My loans and payments are doing just fine. I have no problem with the changes as they apply to credit cards. But please don't do this to my present and future open-end loans at my credit union.

Respectfully,

N. Lorraine Howard