

From: Karen Allison
Subject: Reg Z - Truth in Lending

Comments:

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

From: Karen Allison
InterCorp Credit Union
Asset size 3.7 million
Membership - 1000

Re: Reg Z - Truth in Lending Comments

We are requesting a delay in implementation of the 21 day rule on the 2009 Card Act. Our Credit Union offers open-end lending not associated with credit cards or home equity lines of credit. The majority of our members are on biweekly payroll deduction. Being on payroll deduction allows the loans to be paid quicker and with less interest and does not allow the loan to become late. Our members not on payroll deduction have the convenience of choosing their due dates. This implementation would require us to change all our due dates to the same time each month and our members will be very unhappy with this mandated change. This interim rule will ultimately have a negative impact on our members as well as our Credit Union operations. Compliance date of August 20, 2009 seems impossible; our IT expenses will increase as well as the cost of producing and mailing monthly statements instead of quarterly statements.

Our credit union does not engage in any of the predatory credit card practices this bill was designed to address, we are unfairly being asked to change a lending system that has worked well for our members due to the irresponsible actions of others. Please consider delaying implementation of the new interim final rule for several months so these complex issues can be sorted out by credit unions, data processors, and the members.

Karen Allison
InterCorp Credit Union