

From: Tammy Allender  
Subject: Reg Z - Truth in Lending

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Comments:

To whom it may concern,

To put this as bluntly as possible, somebody really missed the mark when they included 'open-end' lending in section 106 of the credit card act.

Along the way this act as written made perfect sense for a credit card but applying this to open end lending has proven very difficult as the open end lending products are so different from credit card accounts. By including open end lending in this act you are now causing adverse effects on our membership (your voting consumers). We give our members the choice of choosing their due dates and payment frequency on our open end lending. Why, because open end lending includes car loans, boats, RVs, and 2nd mortgages and we want to give our members the flexibility to pick their due date and give them the option of paying bi-weekly or semi-monthly if that fits better with their payroll and budget. These loan products are not accessible by credit card and their payment amounts do not change from month to month. In addition we do NOT jack up the interest rate when they are past due! Open end lending was implemented for the good and convenience of our membership! NOW with this act we are forced to move all due dates to the same due date per month to meet the statement requirements of 21 days prior to due date. How is this better for the consumer?

In addition to this mess you give us a few weeks to apply a regulation to a product it was not intended for. We have to identify all our members that have open end loans, mail them a notice that we have to move their due date to monthly. Then we have to pay our data processor to write a report that will convert all such loans to a set monthly due date. Loans that are on bi-weekly, we will have to identify and work with our member and try to explain what their government did and how it impacted them. We are hoping to let our members keep the bi-weekly payment option but without time to test our theories of programming on our data system it will prove to be a ridiculous burden to our membership.

My first request is that section 106 of the credit card act be amended to remove open end lending but I'm sure that process will take longer than the August 20th compliance date so my alternate request is to ask you to give us a reasonable time frame (December 20, 2009) to comply on open end lending. I ask for this so that we can have time to test our system capabilities and to plan a better less intrusive way to comply without confusing our membership and causing them hardship.

Regards,

Tammy Allender