

From: Novation Credit Union, Kristi Mukomela
Subject: Reg Z - Truth in Lending

Comments:

To the Federal Reserve Board of Governors,

On behalf of Novation Credit Union, the credit union for 3M employees, I am writing to respectfully request that the Board delay compliance with the 21-day notice provisions for open-end plans other than credit cards set to take effect August 20, 2009, under the Board's new interim final rule implementing the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act). We are in agreement with the requirements as they relate to credit card accounts and are prepared to comply by August 20. However, for non-credit card accounts we strongly disagree with the need for this provision and would like to respectfully submit that compliance by August 20, 2009 is virtually impossible.

Credit unions are financial cooperatives owned by their members with a mission to partner with members to help them reach their financial goals. Credit unions are not big business, with big profits and big executive bonuses. Credit unions do what is in the best interest of their members, even without being required credit unions subscribe to full disclosure and ethical practices. Honesty and loyalty are at the core of how credit unions do business.

The requirement to send statements on non-credit card accounts will be very costly and will reduce returns to members, the exact group this provision is supposed to protect. Credit union member-owners do not need regulatory protection from themselves! The provision will also cause inconvenience for many who now have the option to choose which day of the month their payment is made. Payment dates often coincide with payroll dates and budgeting plans. If credit unions are forced to send statements on non credit card accounts all payments will need to be due at the same time to receive any sort of efficiency. This will cause unnecessary member confusion. Credit unions typically use a consolidated statement and have very effectively for 75 years. Changes to the existing statement method will be costly and require time. Requiring unnecessary statements certainly does not support our countries focus on environmental preservation (i.e. green).

Thank you for the opportunity to express my views on this topic on behalf of Novation Credit Union. Your support will be appreciated.

Respectfully,

-Kristi Mukomela