

August 13, 2009

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Re: Docket Number R-1364

Dear Ms. Johnson,

I am writing this letter as the CEO of Lake Michigan Credit Union in Grand Rapids, Michigan on behalf of my credit union and my members. It is in response to the recently issued Regulation Z Interim Final Rule related to the Credit Card Act of 2009 (the Act).

Under the Act's new requirements related to the 21-day periodic statement mailing, all open-end lending is effected and with the extremely short compliance period, we will be hard pressed to be in compliance by the August 20th deadline.

Open-end credit products may involve various payment options (e.g. once a month, or two times a month tied to paydays). Payment dates are usually established throughout a month (not just month-end) depending on when a loan product is set up and for member flexibility. Plus, many lenders use combined statements reflecting all loan obligations of an individual, thus complicating the new notice requirements as well. All these changes mean that loan contracts will need to be amended, new software must be written, new policies and procedures need to be established, new considerations for offering open-end loan products, and new training implemented as well. All this will take substantial time and money. Not only will this put my members and all consumers at a serious disadvantage financially, it will also be quite expensive for my credit union to implement...the costs of which will have to be borne by the credit union membership that will likely result in higher fees and increased loan interest rates.

Prior to this broad rule, consumers could choose their own due dates. Now, lenders may have to take this flexibility away in order to facilitate more efficient practices regarding these notices, thus imposing single payment dates for loans that often include large payment obligations such as a mortgage payment. This rule will needlessly cause undue budgetary problems for millions of Americans.

I am sure that the U.S. Congress and the Federal Reserve Board had good intentions in mind when passing these laws and regulations that were designed to be consumer-friendly. However, the result is that consumers will likely be put in a worse financial position than before these efforts were undertaken. Additionally, my credit union, as well as the entire credit union industry, will be required to bear costs that will trickle down to the membership in order for smaller institutions to survive.

Faced with the tough issues addressed in this letter, it is my fervent hope that the Federal Reserve Board will reconsider the provisions in the Rule and extend the time for compliance **and communicate any change promptly to the regulated industries so they can avoid the onerous compliance costs during the extension period.**

Thank you for your time and consideration in this matter.

Sincerely,

Sandy Jelinski