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August 18, 2009

Sent Via Fax and Overnight Mail

The Honorable Ben S. Bernanke, Chairman
Board of Governors for the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D. C. 20551

Dear Chairman Bernanke:

I am writing you regarding the implementation of the Credit Card Accountability Responsibility and Disclosure Act (the Act) that is having a profound effect on our credit union clients. We are requesting on their behalf, an extension of the compliance date due to what we believe are unintended implications of the Act as it relates to non-credit card disclosures. By way of background, Fiserv is the largest provider of information technology services to credit unions – and nearly all other U.S. based financial institutions- with nearly one third of all U.S. credit unions relying on our solutions.

Section 106 of the Credit CARD Act requires creditors to not treat a payment on any open end plan as late unless they have adopted reasonable procedures to ensure that periodic statements have been mailed at least 21 days prior to the due date.

As you are aware, the primary focus of this notification requirement is to ensure that credit card issuers provide consumers with adequate time to make their payments before the due date. We understand that it is an important provision that will help consumers who responsibly pay their bills to avoid unjust late payment fees. The implementation challenge is that the Act was constructed in such a way that it includes not only credit cards, but all open-end credits, including multi-featured credit plans.

Credit unions have been offering multi-featured plans with sub-accounts for many years. Frequently, these plans use consolidated, periodic statements for these sub-accounts. It is the use of these consolidated statements – and differing payment dues dates for sub-accounts disclosed therein – that is complicating our credit unions clients' ability to provide statements for each sub account 21 days prior to its payment due date. Under the Act, credit unions may not treat a payment late for any reason until credit unions have reasonable procedures in place to meet this requirement. This provision will affect delinquency and collection processes as well as run the risk of inaccurate credit bureau reporting.

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Be assured that our clients and the industry as a whole, are working to implement the changes the Act requires as quickly as possible. Nevertheless, we have fielded hundreds of calls from credit union clients that are literally in a panic about their ability to meet the deadline for this requirement. While Fiserv has developed viable interim and permanent solutions for our clients, their ability to implement the system, and as important, the process changes required to automate compliance simply cannot be completed quickly. Additionally, the interim solutions will be costly for our clients and their members.

We are working diligently to complete programming and testing in an expeditious manner and we are using a variety of communication methods to explain in detail the system changes and how they can implement them to meet the requirements of the Act.

In spite of our clients' best efforts, credit unions will be challenged to meet the mandatory compliance date of August 20. We do not believe the industry had sufficient time to review the implications of the Act which was signed into law May 22, 2009, and specifically, the broad impact of the changes required by the 21-day mailing provision. A period of less than three months to comply with such extensive change is not reasonable given the diversity of the credit union industry and the sheer magnitude of the required implementation, and therefore we are requesting that you extend the compliance deadline.

I appreciate your consideration of this request and your understanding of the challenges of dealing with the unintended consequences of including all open-end credit in the Act.

Very truly yours,

Jeffery W. Yabuki
President and CEO