



August 18, 2009

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th and Constitution Avenue N.W.
Washington, D.C. 20551

RE: Docket No. R-1364

Dear Ms. Johnson,

On behalf of the Missouri Central Credit Union board of directors, staff and member/owners, I take this opportunity to share our issues with the open end lending requirements in the Credit Card Accountability Responsibility and Disclosure Act of 2009 that are effective on August 20, 2009. The unintended consequences of the act will affect the credit union operationally, force undue compliance burdens on the credit union, and negatively impact our member /owners.

Credit unions have provided members with the convenience of open end lending for twenty five years. Although the loan is open end which allows the member to easily obtain subsequent advances on the original loan and new loans with limited paperwork, **these loans do not cycle like a credit card**. The payment amount is set at the time the loan is made. Coupons are presented with the initial documentation that specify the date the payment is due and the payment amount. Many loans are paid weekly, bi-weekly, or semi-monthly depending on the members pay frequency. A number of our members have been able to improve their credit scores by having a due date more frequent than monthly. This option will not be available under open end lending since a weekly statement is not feasible.

Members surveyed do not feel the need to receive a monthly statement on their credit union loan accounts. The increased expenses associated with providing a monthly statement on all open end loans is estimated to be at best an additional \$8,000 annually. This may not sound like much, but our budgeted net income for 2009 was just over \$14,000!

Moving every borrower's due date to the 28th of the month appears to be our only long-term option. This is legal because the Federal Reserve has stated that the payment due date is not required in the initial disclosure, so no change in terms is required. Ask any borrower what the two most significant components of their loan is and I am sure most will agree it is the payment amount and the payment due date. Yet, we are forced to negatively impact the consumer by changing the date they selected at the loan closing that fits their monthly cash flow just to keep the credit union in compliance!

Please consider an amendment to limit the requirement to provide a statement 21 days prior to the due date to credit cards only.

Sincerely,

Gienna Osborn, President

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