

From: "Kent White" <kwhite@goamplify.com> on 10/12/2007 12:10:03 PM

Subject: Truth in Lending

Kent White

Austin, TX 78708-5300

October 12, 2007

Federal Reserve Board Comment

Dear Federal Reserve Board Comment:

The proposed changes to Reg Z would severely curtail the ability of credit unions to use multi-featured, open-end lending plans, plans which have been employed problem-free for decades. These changes address a problem that does not exist and will require credit unions to undergo significant expenses. The disclosures currently provided under these plans are sufficient and provide members with the information they need on a timely basis.

- Requiring a table format and 10-point font size may be easier for consumers to understand, however, disclosing possible annual percentage rates (APRs) is highly problematic and confusing for consumers. Listing only the highest possible APR would not be appropriate, as consumers will likely believe this would be the APR that would apply to them, thus creating misleading information.

Financial institutions need the flexibility to amend and reduce disclosures since much of the information may also be in the cover letter that is provided to consumers when the account is opened. We also believe that the model account-opening disclosures and the application and solicitation disclosures should be identical, as opposed to substantially similar, as this will reduce confusion for both consumers and financial institutions who choose to use these model disclosures.

- We support the Board's proposal to provide additional information on credit cards on its website. This should include information based on the specific needs of certain individuals and information on the various types of card issuers, such as credit unions.

- We strongly object to the requirement to disclose the "effective" APR on the periodic statement, which is the APR that incorporates certain fees and costs. Trying to disclose an "effective" APR is misleading, confusing and difficult for consumers to understand, since it will vary greatly each month and may significantly differ from the interest rate that has also been disclosed to the consumer. Consumers could thus never really know what their rate is, and neither would the institutions they may rely on to refinance these loans. Fees and interest must be treated separately. However, we do agree that the dollar amount of these fees and costs should continue to be disclosed. We also support eliminating the requirement to disclose the periodic rate.

- With regard to the proposed periodic statement model form, the Board's

consumer testing seems to indicate that grouping transactions by type, such as purchases, cash advances, balance transfers, fees, and interest, is easier for consumers to understand. However, credit unions have generally been grouping transactions chronologically and have heard very few complaints from their members with regard to this format. Newer technologies now permit members to sort transactions in any manner they see fit via internet-based platforms, giving those who wish to sort transactions an easy option.

- We support the proposed change that would require a 30-day advance notice before changing certain terms of an open-end credit plan, instead of the current 15-day requirement.
- We generally support the changes that will apply to electronic application and solicitation disclosures. We also agree there may be instances when consumer consent may not be necessary for certain electronic disclosures, such as the disclosure of fees when the consumer is making payments online.
- We support the additional guidance that is provided for debt suspension coverage, which is comparable to the guidance for debt cancellation coverage.
- Because this proposal incorporates the most extensive and comprehensive changes to the Regulation Z open-end rules since the early 1980s, credit unions and others should be given a significant amount of time to prepare for these changes. For this reason, mandatory compliance should not be required until at least two years after these changes are issued in final form.

Sincerely,

Kent White