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March 28<sup>th</sup>, 2005

Jennifer J. Johnson  
Secretary, Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington DC 20551

Via Facsimile 202-452-3819

**RE: Regulation Z; Docket # R-1217**

Thank you for the opportunity to comment on the proposed changes to Regulation Z (Truth in Lending Act). We appreciate the opportunity to participate in this important activity and have the following limited comments for consideration:

**Scope:**

We strongly support the decision of the Federal Reserve Board to review “open-end” and “closed-end” credit provisions separately. These are fundamentally different extensions of credit that should not be confused and deserve to be treated separately. We would encourage the FRB to ensure that any revisions made to the “open-end” rules have no impact on “closed-end” rules.

**Disclosures in General:**

We believe that the specificity required in disclosures mandated in Regulation Z and required in order to take advantage of “safe-harbors” have not successfully increased the understanding of consumers as to the cost of credit extended to them. We would hope that the FRB take advantage of this review process to simplify both the disclosure requirements and the safe-harbor provisions to allow credit grantors flexibility in language to offer practical and relevant disclosures to consumers. This is a case where simple, “rounded” and straightforward disclosures will benefit the borrower far more than detailed complex and specific ones. In many cases, the materiality of the differences between approaches is irrelevant except in how much more complicated it makes the disclosure for the borrower to understand.

**Question 31 etc. - Pay off time:**

The “Pay Off Time with Minimum Payments” disclosure that has been discussed in many forums is a potential minefield for participants in the “open-end” credit industry. The proposals for customized disclosures will provide no additional benefit to a consumer and result in significant costs for the participants. This is a case where specificity and detail will serve no reasonable purpose. In the event that a disclosure related to the impact of making a “minimum payment” on final “pay-off” are deemed appropriate, we believe that a standardized template that illustrates the time required to satisfy a debt of a specific amount through

payments of a specified amount with an APR of a specific number, with several variations would be acceptable:

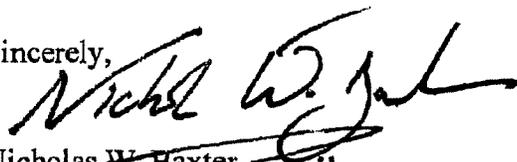
Outstanding Balance	Actual Monthly Payment	Actual APR	Months to Pay-Off
\$X	\$A	M%	E Mths
\$Y	\$A	M%	F Mths
\$Z	\$A	M%	G Mths

**Question 5 & 13 etc. : - Actual Cost of Credit:**

We believe that it is in the best interests of both the lender and borrower that the actual cost of credit as represented in any APR disclosure be maintained at a definition that reflects the original intention of the parties. That is, that the APR should include only those charges that reflect the usage of the card within the normal terms of the agreement. Charges for over limit fees or late fees or in certain circumstances types of "convenience fees" reflect activities of the borrower that while accommodated reflect additional services over and above the provision of credit on the card account for general payment purposes. We believe that there should be full and clear disclosure of all fees charged, however believe that the only fees that should be included in the APR calculation are those related to the provision of credit and usage associated with expected usage of the account. Charges associated with activities reflect a positive or affirmative action of the cardholder which had been previously disclosed and reflect an added value for which an added charge is imposed as a condition of continuing to maintain the operating status of the account.

Thank you again for this opportunity.

Sincerely,



Nicholas W. Baxter  
Senior Vice President

Cc: John Langenfeld