



December 27, 2004

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

Fax: 202-452-3819 or 202-452-3102
e-mail: regs.comments@federalreserve.gov

Re: Advance Notice of Proposed Rulemaking Regarding Regulation Z

Dear Sir or Madam:

In response to the above, I would like to offer my comments on issues I think would be of help to consumers when dealing with the required disclosures for open-end credit under Regulation Z (Truth-In-Lending). I will refer to the questions & numbering system recommended in this Notice.

Q1. I agree with the Goal of the review process, to look at portions of the regulation in stages.

Q2. I believe that certain key disclosures should be segregated from other contractual terms, so the disclosures are more clear and conspicuous. In reviewing a take-one application I looked at today, the bottom of the form is a tear off section which contains the "Schumer box" and it is quite easy to read & understand (see sample attached).

Q4. For the periodic statements, I believe that the "actual due date" should be posted clearly at the top of the page where the account number, balance, minimum payment, contact phone number & late charge should also be placed.

Q5. I think that all fees should be clearly labeled, grouped together, and placed on the statement in a place that is clear & conspicuous.

Q8. Yes, all fees including any balance transfer fees should be included in the "Schumer box".

Q12. I agree that **bold headings** assist greatly in identifying important information, but the use of ALL CAPITAL LETTERS is NOT helpful. Additionally, if the Board does consider ways to clarify for creditors how particular fees should be classified, I think that any fee or charge that is imposed by the creditor as a fee that they will retain for a cost they incurred, should be included in the finance charge, either in the initial disclosures or on the periodic statements.

Q13. Fees such as a service charge, transaction, activity or carrying charge (over limit) should be included

in the finance charge on the periodic statements, however, a "late charge" or NSF fee should not be included in the finance charge, because they are fees the customer could avoid if they paid on time or did not allow their account to be overdrawn, subjecting themselves to a NSF fee on a bounced credit card payment check.

Q14. I think all fees known should be listed, even if the dollar amount is not known up-front, and if the fee is subject to a change later, that information should be included in the "take-one" application, initial disclosures, and periodic statements, as applicable.

Q18. I think creditors should be required to include information about the "other charges" for the following items: the amount of the charge; the frequency of the charge or when it can or will be imposed; and when and how the creditor discloses the charge. However, the proportion of consumers likely to incur a certain charge does not seem to be relevant.

Q20. To the extent possible & for clarity purposes, fees described in open-end credit should be the same as those used for closed-end loans. The terms & definitions should not be different. In addition, I believe that creditors should be allowed to charge an over-the-credit-limit fee on a monthly basis & disclose it as such, because the customer always has the option to (a) pay the limit back down & avoid the fee, or (b) call and seek an increase in their limit.

Q22. I think the over-the-credit-limit fee should be imposed at the time of the approved transaction. If the creditor is approving the transaction they should be compensated for it.

Q25. Yes, a cumulative year-to-date and perhaps a "prior year" total for certain fees should be included on the periodic statements, to help consumers understand their own credit activity, and all the charges they have incurred in managing the credit account.

Q26. I think the notice about changes in the interest rate or anything else, should be mailed at least 30 days in advance of the change. That is consistent with other "change in terms" notices in other regulations.

Q30. If it is possible to give a meaningful example using say a \$5,000 limit balance, the current APR, and the minimum payment amount, then a disclosure of the effects of only making the minimum payment amount should be included in the account opening disclosures.

Q31. Yes, both periodic statement & account-opening disclosures should be included and would benefit the consumer in understanding the true cost of the transaction.

Q36. Yes, the disclosure of the payment allocation method should be included on the periodic statement, to let the consumer know this & have the opportunity to make a larger payment, or to reduce the balance at a higher rate, and thereby lower their interest costs.

Q44. I think that convenience checks should be accorded all of the protections applied to the use of the credit card account.

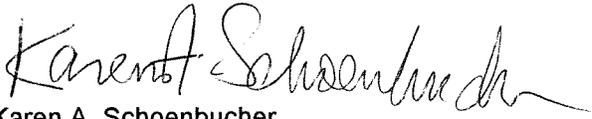
Q45. Yes, all credit card transactions, no matter how activated, should have the same protections under the regulation.

Q46. I think creditors should be allowed to issue additional cards at any time, so long as the request is initiated by the consumer & the card has to be "activated" to be used,

Q51. Yes, the rules should require the creditor to apply all payments as of the "date they are received" even if they cannot be fully processed on that date.

Thank you in advance for allowing me to share my thoughts with you on this topic. If you have any questions regarding my comments, please feel free to contact me at 1-800-792-5669, ext. 170

Sincerely yours,

A handwritten signature in black ink, appearing to read "Karen A. Schoenbucher". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Karen A. Schoenbucher
Vice President & Compliance Officer
Southwest Bank
3737 S W Loop 820
Ft Worth, Tx 76133-2065

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	PLATINUM FLEX MILES	CLASSIC FLEX MILES	NON MILEAGE CARD*
Annual Percentage Rate	5.9% until the end of 6 billing cycles from the date the account is opened. After that 7.9%	5.9% until the end of 6 billing cycles from the date the account is opened. After that 9.9%	5.9% until the end of 6 billing cycles from the date the account is opened. After that 11.9%
Introductory Periodic Rate	.492%	.492%	.492%
Variable Rate Information	Your APR may vary. The rate is determined by adding a margin of 3.9% to the Index. See explanation below.**	Your APR may vary. The rate is determined by adding a margin of 5.9% to the Index. See explanation below.**	Your APR may vary. The rate is determined by adding a margin of 7.9% to the Index. See explanation below.**
Regular Periodic Rate	.658%	.825%	.992%
Penalty APR	Up to 21%. See explanation below.***	Up to 21%. See explanation below.***	Up to 21%. See explanation below.***
Annual Fee	\$35	\$35	None
Grace Periods	25 days for purchases. No grace period for Cash Advances.	25 days for purchases. No grace period for Cash Advances.	25 days for purchases. No grace period for Cash Advances.
Method of Computing Balances for Purchases and Cash Advances	Average daily balances (including New Purchases and Cash Advances).	Average daily balances (including New Purchases and Cash Advances).	Average daily balances (including New Purchases and Cash Advances).
Cash Advance Fee	2% of the amount of the Cash Advance subject to a minimum fee of \$2.	2% of the amount of the Cash Advance subject to a minimum fee of \$2.	2% of the amount of the Cash Advance subject to a minimum fee of \$2.
Additional Fees	Late payment: \$25 Over-the-limit: \$25 NSF: \$25 Pay-by-Phone: Up to \$10	Late payment: \$25 Over-the-limit: \$25 NSF: \$25 Pay-by-Phone: Up to \$10	Late payment: \$25 Over-the-limit: \$25 NSF: \$25 Pay-by-Phone: Up to \$10

*Non mileage card includes VISA® Platinum, VISA Classic and Gold MasterCard®.

**After the introductory period, the rate will vary based on the Index (*The Wall Street Journal* Prime Rate) plus a margin. The APR will be adjusted on the third Wednesday of March, June, September, and December based on changes in the Index and will take effect on the first day of the billing cycle after a change in the Index. Increases or Decreases in the Index will cause the APR and periodic rate to fluctuate, resulting in increased or decreased Finance Charges on the account. As of September 17, 2003, the Index was 4%. The account will never have an APR over 21%.

***If your Account is 60 days late, your APR may increase automatically to a higher rate up to 21%. After an increase, timely payments for 3 months may result in a lower rate.

If you do not qualify for a Platinum Flex Miles Card and you qualify for a Classic Card, you will be automatically offered a Classic Flex Miles Card.

The information about the cost of the Card described in this Table is accurate as of October 1, 2003. This information may change after that date. To find out what may have changed, call us