

From: "Patricia Wesenberg" <pat@pointpluscu.com> on 09/28/2007 10:45:03 AM

Subject: Truth in Lending

Patricia Wesenberg
Stevens Point, WI 54481-8746

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Federal Reserve Board Comment

Dear Federal Reserve Board Comment:

We strongly object to the proposed changes that would severely curtail the ability of credit unions to use multi-featured, open-end lending plans. 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.

- Our comments on the proposed application and solicitation disclosures also apply to the proposed account-opening disclosures. In addition, financial institutions should have the flexibility to amend and reduce these disclosures since much of this 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.
- For the proposed changes to the application and solicitation disclosures, we agree that the table format and 10-point font size may be easier for consumers to understand. As for disclosing possible annual percentage rates (APRs) that may apply, we do not believe listing only the highest possible APR would be appropriate, as consumers may very likely believe this would be the APR that would apply to them.
- 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.
- 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.

Patricia A Wesenberg