

From: "Nancy" <nancy@fcacu.org> on 10/04/2007 10:55:01 AM

Subject: Truth in Lending

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

Dear Ms. Johnson:

I am writing concerning the proposed changes to Reg Z, concerning open-lending rules. I am opposed to such changes to as these changes will disrupt the primary way in which credit union's have been serving their members needed demand for loans for over 25 years. This change will disrupt not only the way we serve our members, but will disrupt our members lives with the requirements being imposed in meeting our members lending demands. These recommended changes you are proposing to Reg Z would alter two established lending concepts of our open-ended lending programs that our members have relied on for 25 years. These changes are:

- Make it a requirement that each lending feature (sub-loan accounts under the open end plan), be self replenishing (the ember can borrow money, repay it, and borrow again)
- Stop credit unions (and others who utilize open-end lending) from being able to underwrite specific loan transactions under an open-end lending plan.

I am very concerned that Fed would be making these changes, and am unsure why these changes are being considered. Open end lending is a tired and try system, as the saying says, "if it isn't broken, don't fix it". I can't help but think that changing a system that has been around, in use, and working for over 25 years, in which consumers have relied upon for their borrowing needs, will only create a system that will then completely destroy the convenience and ease of open end lending. These recommended changes appear to be a solution looking for a problem!. Open-end lending under Reg Z has been around and being utilized for over 25 years. Changing the current lending system could/will cause disruptions and modifications to current credit union business practices and our working relationships with our members. Credit union members have relied on the current open end lending for many years, and it is the level of service, and convenience in which they rely to meet their borrowing needs. Our members receive adequate disclosures under the open end lending system, and we have had no complaints from our membership on our lending operations. Changes to our lending program will create more paperwork and operational changes which will ultimately be passed on to our members in the form of higher lending rates, or additional service charges.

In closing, I would ask you to please give consideration to my comments. Implementing these changes is not in the best interest of the consumer, or in the best interest of the financial institution serving their members/customers currently utilizing open-end lending.

Sincerely,

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