

# **Service 1st Credit Union**

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**October 4, 2007**

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

**RE: Proposed changes to Regulation Z; DOCKET No.R-1286**

**Board of Governors:**

**Service 1<sup>st</sup> Credit Union, in Greenville, Texas, has been made aware of the changes to the multi-featured "open ended" lending programs that the Federal Reserve Board has proposed.**

**Service 1<sup>st</sup> Credit Union was chartered in 1954, has over 7,700 members located in Hunt County, and for the past 20+ years has operated within the "open ended" lending laws and regulations.**

**This multi-featured open-ended system has worked very well for our membership for a very long time. The note, security agreement plan, and disclosure documents are accepted by the courts in Texas, and are the preferred loan agreements in which the majority of our membership has come to rely.**

**I am not sure why you feel these changes are appropriate. The changes would increase the cost to the membership by causing disruptions in current credit union business practices, by creating more paperwork, by making us change our operational procedures, and would, quite frankly, be a step backward for the membership as a whole.**

**If we were having widespread complaints about this type of system, I may understand your interest in proposing this change. However, why change something that is currently working, is proven, and the membership as well as the courts has supported?**

**Sincerely,**

**Mike Bailey  
President**