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Proposal: Regulation Z - Truth in Lending

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126 E. Lincoln Avenue, PO Box 2000, Rahway NJ 07065-0913 CHARTER NO. 1454 Loan Department (732) 594-3018 October 2, 2007 Federal Reserve Board Washington, DC RE: Proposed Changes to Regulation Z in Reference to Open-End Credit Agreements for Consumer Loans I am writing to you to express the concern of our Credit Union in reference to the proposed rule making in reference to open-end (revolving) credit rules of the Board's Regulation Z which implements the Truth-in-Lending Act. Our Credit Union has used open-end loan documents successfully for many years. As a federally chartered credit union, we offer most types of consumer loans such as unsecured loans, car loans, stock secured loans, and other forms of personal consumer loans to our Credit Union members. For many years we have used the open-end loan documents provided by the CUNA Mutual Insurance Company. These excellent documents have enabled the Credit Union to improve the service to our Credit Union members and also expedite the loan granting process. Credit Union members routinely comment on the ease with which they are able to obtain loans from the Credit Union, the reduced number of documents which they have to sign and that the documents are easy to read and understand. Our Credit Union has reviewed the proposed Regulations which would significantly restrict the Credit Union's ability to continue to make loans using open-end loan documents and instead would compel the Credit Union to make more loans using closed-end disclosure documents. We strongly urge the Federal Reserve to not change the Regulations, certainly not for financial institutions such as Credit Unions which have used these forms for decades. I am not aware of any significant complaints from members concerning the use of open-end loan forms. To the contrary they have proven to be an excellent way of expediting services to Credit Union members. In the event the Federal Reserve is concerned that certain non-financial institution lenders have abused these forms then I strongly recommend that it focus its attention solely on those lenders and not financial

institutions, such as Credit Unions, which have only used open-end lending for the benefit of both the Credit Union and the Credit Union's members. Using closed-end lending forms would increase the Credit Union's cost of operation, require unnecessary paperwork and disclosures and impede the member's ability to promptly obtain consumer loans. This is particularly important in the area of automobile financing where loans must be made in a very short period of time if the Credit Union is to remain competitive for automobile loan financing. For all of the foregoing reasons, I strongly recommend that Credit Unions continue to be allowed to use open-end loan documents and that no changes be made to Regulation Z which would restrict the Credit Union's ability to use open-end lending for many of their consumer loans. Yours truly, Renee Behrens, Loan Manager