

October 10, 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: Regulation Z; Docket No. R-1286

Dear Members of the Board:

Ascend Federal Credit Union, a multi-group credit union located in Middle Tennessee that has over 120,000 members and over \$1.1 billion in assets. Below please find for your consideration our comments concerning the proposed revisions to Regulation Z.

Our credit union objects to the proposal of the Federal Reserve Board (FRB) requiring changes to the open-end, multi-featured loan products many credit unions currently use. These changes, including the requirement of providing additional closed-end disclosures for sub-accounts created to finance specific items such as automobiles, would significantly reduce the credit union's ability to use such plans when there has not been a problem with the credit union's usage of such plans. Under this type of plan our credit union members currently receive disclosures that we feel are more informative and timely than those that would be given were the loans treated as traditional closed-end loans. Our members have grown accustomed to these open-end platforms and the convenience it affords them by being able to obtain low interest rate loans quickly and, if they so desire, remotely, from their credit union. The proposed changes would decrease the efficiency of the credit union's operations. The changes would cause loan approval to be more time consuming and burdensome, and would require many changes to existing loan documents, data processing systems and software, and extensive employee training. These factors would result in increased costs that will be passed on to the membership of our credit union.

Our credit union disagrees with the need for required account-opening disclosures in a table format. The credit union should have the flexibility to disclose this in a Rate and Fee Addendum, letter or whatever other method the credit union uses.

Our credit union supports eliminating the "effective" APR disclosure requirement. We agree that the fees and costs should continue to be disclosed as a dollar amount which would be easier for members to understand.

Our credit union would request that the ability to group transactions chronologically on periodic statements continue, rather than require transactions be grouped by type.

Our credit union supports the proposal's elimination of the requirements under the Bankruptcy Act to provide warnings and hypothetical examples to members on credit card statements concerning the effects of making minimum payments. The ability to provide actual repayment information would be less burdensome than those requirements found in the Bankruptcy Act.

Our credit union agrees that members should be allowed to do certain transactions such as making an online payment without consumer consent for electronic disclosures.

Our credit union urges the Board to reconsider this current proposal as many of the changes adversely effect credit unions and their ability to serve their members specifically, and the history of credit union's service to their members does not justify such action.

Very truly yours,

ASCEND FEDERAL CREDIT UNION

A handwritten signature in cursive script that reads "Caren C. Gabriel". The signature is written in black ink and is positioned above the printed name and title.

Caren C. Gabriel  
CEO/President