



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

Delivered via Facsimile: October 11, 2007 to (202) 452-3819

Reference Docket No. R-1286

Thank you for this opportunity to comment on the proposed changes to Regulation Z.

I am Vice President of Lending for Abilene Teachers Federal Credit Union which serves over 23,600 members. For over 25 years we have been using multi-featured open-end lending plans to provide many types of loans; from personal and vacation loans to furniture, automobile, and recreational vehicle loans. Our members enjoy the program's convenience and they benefit from lower loan rates provided through open-end lending. We have never received a complaint related to these loans being made under a multi-featured open-end plan.

We are open to improved open-end disclosures, especially for credit card lending, but we request that you reconsider and not re-define open-end lending. Please do not do away with multi-featured plans or individual advance underwriting. Requiring self replenishment of the original credit limit on all sub-accounts without regard for the depreciating value of collateral would effectively stop open-end lending for collateralized loans. The proposed changes have several negative effects, among them are:

- The costs of implementing these changes and the increase in risk for lenders (since underwriting individual advances would be eliminated) which will be passed along to consumers in the form of higher loan rates. The decrease in competitive rates will lead to higher cost of credit for all borrowers.
- Some of the changes take a large step backwards by replacing a system that is convenient for consumers, efficient and productive for lenders with one that is much less so.
- Financial institutions affected by these changes (and the costs thereof) are potentially faced with another round of changes when closed-end lending is reviewed.

I believe that the Federal Reserve Board can address the issues related to open-end lending that are true concerns of the Board and of consumers without negatively affecting the positive features of open-end lending. Please do not "fix" the parts that are not broken.

Sincerely,

Jon A. Caudle
V. P. Lending

