

From: "Charles Head" <thead@apcu.com> on 10/16/2007 02:35:02 PM

Subject: Truth in Lending

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Federal Reserve Board Comment

Dear Federal Reserve Board Comment:

We strongly object to the proposed changes that would severely curtail the ability of credit unions to use multi-featured, open-end lending plans. These changes address a problem that does not exist and will require credit unions to undergo significant expenses. The disclosures currently provided under these plans are sufficient and provide members with the information they need on a timely basis. Our Credit Union serves one Select Employee Group (SEG), the United States Postal employees, which are employed across the country. Our comments on the proposed application and solicitation disclosures also apply to the proposed account-opening disclosures. In addition, financial institutions should have the flexibility to amend and reduce these disclosures since much of this information may also be in the cover letter that is provided to consumers when the account is opened. We also believe that the model account-opening disclosures and the application and solicitation disclosures should be identical, as opposed to substantially similar, as this will reduce confusion for both consumers and financial institutions who choose to use these model disclosures. We support the Board's proposal to provide additional information on credit cards on its website. This should include information based on the specific needs of certain individuals and information on the various types of card issuers, such as credit unions. We strongly support eliminating the requirement to disclose the "effective" APR on the periodic statement, which is the APR that incorporates certain fees and costs. The effective APR is confusing and difficult for consumers to understand, since it may vary greatly from month-to-month and may significantly differ from the interest rate that has also been disclosed to the consumer. However, we do agree that the dollar amount of these fees and costs should continue to be disclosed. We also support eliminating the requirement to disclose the periodic rate. We support the proposed change that would require a 30-day advance notice before changing certain terms of an open-end credit plan, instead of the current 15-day requirement. We generally support the changes that will apply to electronic application and solicitation disclosures. We also agree there may be instances when consumer consent may not be necessary for certain electronic disclosures, such as the disclosure of fees when the consumer is making payments online. We support the additional guidance that is provided for debt suspension coverage, which is comparable to the guidance for debt cancellation coverage.

Sincerely, Charles M. Head

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