

To: Board of Governors of the Federal Reserve System

Ref: Docket No. R-1286

Dear Board of Governors:

As president of Bexar County Teachers Federal Credit Union, a small credit union in San Antonio, Texas, I wish to comment on the pending Federal Reserve Board proposal on Regulation Z, especially the proposed changes to the multi-featured open-ended lending rules.

Our current system is over 20 years old and has worked fine for all of these years. This change would cause significant interference for our members/owners and daily operations. Our members have relied on this method of lending from our credit union for financing their loans.

For over 20 years, our members have not complained about the current lending practices that we have implemented. Not only have our members come to rely on this system, but we have also.

The proposed changes will create redundant paperwork. As a small credit union, costs will be an unjustifiable burden on our credit union and its members/owners. Who will pay for these changes if we cannot afford to? Will you help us convert to a system that might generate more problems? Why change a system that has work for over 20 years to change to a system that could possibly affect us negatively.

I do not understand why the proposed amendments to the open-end credit rules under Regulation Z are necessary or how the amendments will benefit my credit union, its membership or me.

Sincerely,

Bexar County Teachers FCU

Ana M. Armstead
President