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Midwest United Credit Union 1800 South Outer Rd. Blue Springs, MO 64015 October 11, 2007 Jennifer J. Johnson, Secretary Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW Washington, DC 20551 Dear Members of the Board, I am the Lending Manager of Midwest United Credit Union, a credit union that serves approximately 32,000 members of the Greater Kansas City, MO area. I thank you for the opportunity to share my comments on the Federal Reserve's proposed changes to the open-end lending provisions of Regulation Z. Open-end lending has been in place for our credit union for many years. The advantages to our membership are numerous. Over the last 7 years, we have moved into using this feature more fully by allowing our members to handle many of their loan closings without having to come to a branch office. We take about 30% of our loan applications via phone or internet, making it convenient for our members to apply when they choose. By utilizing the open-end lending component of CUNA Mutual's Loanliner plan, we are able to fund members' loans without them having to conform to our "9 to 5" office hours by having to come in to get their money. Also, the ability to add to a loan that they have paid on for a few years while keeping the same monthly payment, and payroll deduction or auto-transfer in place gives us a competitive advantage in our marketplace. When members have an emergency such as a heater going out, or needing to replace an air conditioning on a hot summer day, we are there for them. They can call in and get their loan funded into their checking account in a matter of hours. This also empowers our staff to do what is best for the members and make the process easy for them. I do appreciate and commend the Board for looking for ways to make credit card and other predatory-type lending products easier for consumers to understand. I believe that anyone in this industry would agree that we have all seen consumers that didn't fully understand the details of a financial transaction until it was too late. The toll that this has taken on our own

members is easy to see, and the price consumers have paid is very obvious. I would however, ask if there have been any complaints from credit union members about unfair practices in open-ended lending. While it may not be the intended goal of any proposed changes to Regulation Z, the open-end lending provision as it reads now may be interpreted as an attempt to correct something that may not be viewed as a problem from the consumer's standpoint. If there were documented evidence that consumers (and credit union members in particular) have suffered from open-end lending practices, then I would agree that we need to look for ways to improve the experience for borrowers. Without such evidence, I would question any changes to the practice that gives so many credit unions such an advantage in helping meet the lending needs for their members. With the review of Regulation Z, we could reasonably expect that closed-end lending practices would be reviewed at some time in the future. With the proposed open-end changes, this would create the need to retrain our staff and reprogram our systems and forms to accommodate the changes to remain in compliance. If credit unions have to change their current open-end practices this would effectively cause us to change to only closed-end lending. If additional changes are to come in the area of closed-end lending, this would create a hardship again on credit unions that would have to change their lending practices twice – once to comply with the new Regulation Z proposal for open-end lending, and then again to comply with the future closed-end revisions. The costs for many credit unions would inevitably be passed on to their members. These costs though, may not be as obvious as increased loan rates or fees. The costs would be paid by their members in the form of less convenience and a reduced ability for their credit unions to serve their needs as they have done in the past. Again, this price may be hard to quantify, but if the consumers have not been adversely affected by the credit unions' open-end lending practices, is this a reasonable cost to pass on to them? I want to thank you for the opportunity to comment on the proposed changes to Regulation Z. I am available to answer any questions the Board may have on our lending practices, or how the changes would impact our members. Jeff Chrisman Lending Manager Midwest United Credit Union P. 816-228-1800 ext 3227 E. jchrisman@mucu.com