

Date: Oct 11, 2007

Proposal: Regulation Z - Truth in Lending
Document ID: R-1286
Document Version: 1
Release Date: 05/23/2007
Name: Diane M Shelton
Affiliation: DuPage Credit Union
Category of Affiliation: Commercial
Address: 1515 Bond PO Box 3930

City: Naperville
State: IL
Country: UNITED STATES
Zip: 60567
PostalCode:

Comments:

Federal Reserve Board: I am writing on behalf of DuPage Credit Union to express my personal and professional concerns regarding the proposed changes to Regulation Z. First and foremost, the concern is for our member's ability to conveniently borrow from the credit union under the Open End Lending Plan. Since moving to Open End Paperwork in April of 2004 we have enrolled thousands of members and many of them have received loans under this plan. The Plan has been incorporated into our account opening process and members are thrilled to learn how convenient it is for them the next time they need a loan. DuPage Credit Union team members clearly explain the plan at account opening and of course again when any funds are disbursed. We have had no complaints or concerns about being misled or that they are in a plan they do not understand. Therefore, it was a surprise for us to learn that other companies were not utilizing Open End Lending with the intent it is structured to support. Credit Union's have embraced Open End Lending and would probably be the most negatively impacted by the proposed changes. The industry has handled this type of Plan in a responsible manner as they do with all types of lending. Lending has become extremely competitive with non-traditional lenders entering the arena and member convenience is critical to the future success of Credit Union Lending. From the Credit Union's perspective, changes to the lending structure will require major costly system and process changes. Extensive team training will also be needed to meet the proposed requirements. The costs will be significant and will detract from other credit union initiatives. The long term impact of the proposed changes will be a loss of loan volume for credit unions, particularly in the vehicle lending arena. DuPage Credit Union is not an indirect lender and will probably be even more impacted. Members call us from the dealer today, have the funds deposited into their account and leave the dealership with their vehicle. The proposed changes will require a trip to a branch and faxed or mailed documents. The member's needs are not first and

foremost in this scenario. The Proposed changes will also seriously impact electronic lending initiatives. One of the key reasons DuPage Credit Union went to Open End Lending was the Plan streamlined the paperwork process to meet the speed and convenience needs of members that use electronic services. Member demands for Electronic Lending are going to continue to grow and the impact of the proposed changes will result in the perception that borrowing from the Credit Union is not convenient. Responsible lenders will ensure that members/consumers understand the Plan. DuPage Credit Union is completely opposed to the proposed changes for Open-end Lending. Consumers/Members benefit from the convenience of open end lending and credit unions' lending will be negatively impacted in a highly competitive market place. Credit Unions lend with integrity and consumers deserve to have convenient cost effective options with a lender they can trust. We appreciate this opportunity to comment on the proposed changes. Sincerely, Diane Shelton Sr. Vice President of Sales and Service DuPage Credit Union 800.323.2611 ext 3004