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RE: Regulation Z; Docket No. R-1286 On behalf of GECU, the largest locally owned credit union in El Paso, we appreciate the opportunity to present our comments on the proposed amendments to Regulation Z. With over \$1 billion in assets and over 274,000 members we recognize the impact the proposed changes will have on today's consumer and we fully support the Federal Reserve Board's efforts to promote the informed use of consumer credit to allow the consumer to attain high-quality financial services while being protected. GECU Supports Proposed Changes to Credit Cards: In response to consumer concerns, we understand that the Board's efforts are intended to improve the effectiveness of the disclosures consumers receive in connection with credit card accounts and other revolving credit plans, by ensuring that information is provided in a timely manner and in a form that is readily understandable. Generally, GECU supports and agrees with the proposed credit card provisions with exception to the proposed changes to notification periods. GECU Opposes Proposed Changes to Open-End Lending: We strongly oppose the proposed changes to open-end lending which would severely restrict the ability to deliver loans to our members in a convenient manner. Our members have relied on open-end lending for over 25 years and have benefited from the convenience and promptness of service attributed to open-end lending. With the proposed changes, the following will be required: 1) creation of new and additional loan documentation, 2) implementation of operational changes, 3) training of staff with new procedures, 4) modification of lending software applications, 5) compliance costs, 6) and 6) hiring additional staff. Regrettably, costs associated with the proposed changes will ultimately be passed on to our members in the form of higher interest rates and fees. Financial institutions would lose the ability provided to members with the convenience of quick, minimal-document loans for those members applying via phone, mail or internet. This convenience has become a necessity to many consumers, especially those that are away from

home for long periods of time such as the men and women of our military. Located among several military bases, including Fort Bliss Army Base, Holloman Air Force Base, Biggs Army Airfield and White Sands Missile Range we have personally witnessed how our members benefit from open-end lending. Our members will endure inconvenient and costly adversities as a result of this proposal. Furthermore, the proposal will require additional disclosures on open-end loans which, we believe, are unnecessary. For many years, consumers have received adequate disclosures that they have become accustomed to and understand which include disclosures at plan opening, on periodic statements and when loan terms change. Due to the significant changes being proposed with respect to open-end lending, we strongly believe credit unions and others should be given a considerable amount of time to prepare and implement these changes. If the final rule is not changed, a mandatory compliance date should not be required for a minimum of at least two years after these changes are issued in final form. Additionally, since the Federal Reserve Board is examining regulatory changes to closed-end lending, it is recommended the proposals will be finalized with sufficient time to prepare and implement the regulatory changes without any undue burden on consumers or financial institutions. Summary: GECU supports the efforts of the Federal Reserve Board to educate and protect consumers by promoting the informed use of consumer credit. The proposed changes addressing consumer concerns about credit card disclosures are supported; however, the proposed changes to open-end lending are strongly opposed. In our efforts to serve our member needs, it is requested that consideration be given to allow existing open-end lending regulations of 25 years to remain as is so we may continue to provide convenience and affordable lending when serving the needs of our members. Again, we strongly oppose the changes to open-end lending as our members have experienced great convenience with the use of open-end lending and credit unions have experienced lower loan delivery costs to support lower interest rates and less fees to our members. GECU appreciates the opportunity to comment on the credit card and open-end lending proposals. Thank you for your time and consideration. Respectfully submitted.