

August 30, 2007

Dear Federal Reserve Board,

Re: "Open-end Lending"

We live in a world of instant gratification and a need for continued convenience. Credit Unions found a way to provide this need several years ago when Open-end Lending became a way to meet our member's continuing loan requests.

The very definition of Open-end Lending allows members to seek fast, convenient loan approvals with flexible terms and minimal paperwork... particularly for auto loans. Open-end Lending only requires our members to make one visit to the credit union for most future loans. Without Open-end Lending, we would take a step backwards in providing service and convenience to our members.

Open-end Lending, under Regulation Z, members receive constant reminders of key financial terms such as the APR per transaction. Closed-end lending does not have a similar requirement. To remain competitive in an ever changing lending environment, it is likely that for convenience purposes members will migrate to more expensive resources.

From a credit union perspective, Open-end Lending provides a level of convenience and service to grow our loan portfolio. It also affords us the opportunity to match auto dealer's and larger retailer's convenience in the process.

Another important feature of Open-end Lending sets the stage for a broader conversation about other credit union products and services, and establishes a long-term borrowing relationship. With Open-end Lending there is less paperwork, imaging, FedEx shipping, reproductions, and redundant effort by the credit union. These annual savings are approximately \$50,000 for a medium sized credit union.

Having come to the credit union environment from a previous banking background, I have found that Open-end Lending makes it easy for me to provide better, faster and convenient service to our members. Open-end Lending will assure this is our continued objective.

Sincerely,

George P. Schire
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