

From: Kaiperm Diablo Federal Credit Union, Marion Morris
Subject: Reg Z - Truth in Lending

Comments:

30 July 2009
Federal Reserve Board
Gentlemen:

I am happy to report that our VISA credit card program is easily in compliance with the changes enacted via the Credit Card Act of 2009 which take effect 20 August 2009. We are happy to give our members proper notice of our low fees.

Over the years, most of our other consumer loans are disclosed via Open-end Lending which keeps our costs down, and therefore the cost to our member/borrowers at the lowest we can offer. (An example is that our auto loan rate is as low as 3% APR for some members). Because of some last minute changes to the law via Credit Card Act of 2009, without chance to comment, we will have to increase the cost to our members.

The most immediate problem is how to give a statement at least 21 days before due date on an auto loan, for example. Most of our member loans are paid biweekly, or semi-monthly, (and a few weekly) depending on the payday of our member/borrowers. Are we to issue statements twenty-one days before each weekly, biweekly or semi-monthly due date? Our practice has been to issue quarterly statements on these loans. (Many members have requested we send only annual statements).

For members with monthly loan payments, the due dates fall on different days of the month depending on when the date their loan was issued. Does this mean we'll need a daily statement run to select-out only those members whose due dates are 21 days hence?

We have just under 4700 members in our credit union. We have served our members well over the years and we believe in proper disclosures so members may make proper financial decisions. This latest Credit Card Act, unintentionally is affecting all open-end lending.

We request you delay implementation of this latest regulation. Then Congress can re-evaluate and pass amendments to help us avoid costly data processing and communication costs.

Your kind attention is appreciated.

Cordially,

Marion Morris
Kaiperm Diablo Federal Credit Union

cc: N Clyburn CUNA
B Cheney, CCUL