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Subject: Reg Z - Truth in Lending

Comments:

Date: Jul 31, 2009

Proposal: Regulation Z - Truth in Lending
Document ID: R-1364
Document Version: 1
Release Date: 07/15/2009
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Comments:

Our Credit Union offers open-end lending not associated with credit cards or home equity lines of credit. We use open-end lending for the ease and convenience of our members. The changes in Reg Z that include open-end lending other than credit cards create numerous hardships to credit union members and well as Credit Unions. We are a small credit union with a membership that includes many hourly paid warehouse workers. Our members now have the choice to pay weekly, or semi-monthly according to their pay schedules, which helps them to pay interest based on 7 or 15 day balances rather than 30 days, and to avoid delinquencies which adversely effect their credit reports. Loans are repayed faster and with less interest. In order for the credit union to comply with these changes, loans will have to be changed to monthly payments taking away the ability to choose these payment schedules that allow the members to pay less interest and data processing changes will have to be made to accomodate the 21 day time frame. This will create a great hardship to our credit union in terms of time, expense, and member convenience. I understand the need to protect consumers from predatory lending practices, but credit unions do not participate in these practices, and the cost of implementing these changes would in the long run be adverse to our membership. Our members are mailed quarterly consolidated statements that include all deposit and loan accounts, and this practice has always been appreciated by our membership. Please consider the adverse effect this will have on credit union members, as well as to the Credit Unions that make it their primary focus to help members achieve financial success by offering quality, low cost financial services.