

Service 1st Credit Union

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July 31, 2009

Senator Kay Bailey Hutchison
Mica, President

Senator John Cornyn

Dan

Representative Ralph Hall

Members of Congress
United States of America

CUNA

Michael Fryzel, Chairman
NCUA

Ben Bernanke, Chairman
Federal Reserve Bank

Federal Reserve Bank
Board of Governors

RE: **Credit Card Act 2009**

Honorable Representatives of the People:

I am writing this letter as President of Service 1st Credit Union and as a concerned citizen of a member-owned financial institution. The Credit Card Act of 2009 has many features that Service 1st, out of courtesy, has always provided it's member/owners. However, this bill, whose intent it was to try and protect the consumer, has several serious flaws that in effect will be a detriment to my member/owners' financial well being.

I have requested clarification from the Federal Reserve Bank in Dallas, Texas; the Federal Reserve Board of Governors in Washington DC.; the NCUA; the Credit Union Dept. of the great state of Texas; and the credit union trade groups and leagues. No one, to this date, can explain to me how a signed written consumer loan obligation with weekly payment due dates can physically be given a 21-day notice prior to each payment that is due. I am requesting anyone in Congress to contact me at the above number and explain this phenomenon to me. **This mistake of including "open ended consumer" lending in this Credit Card Act must be corrected to ensure compliance, continued low consumer loan rates to the working men and women of this country, continued higher dividend rates to the working men and women of this country, and continued earnings and capital growth to the only co-op financial institutions in the nation that have the best interest of the working men and women of this country at heart!**

Secondly, I am asking anyone in Congress to please contact me and explain to me why I should consider all my "weekly and bi-weekly payment due date" loans as always current, making no distinction as to whether or not the payment has been made. **Because, as the law is written, non-payment can not be a reason for delinquency**, if a 21-day notice has not been given? Does anyone see the ridiculousness of this? (I know,... it was slipped in at the last minute with no consideration for discussion in a "closed door" session.) Is that how you want to be remembered after you are voted out? The intent was aimed at monthly pay credit cards obligations. I understand that completely, however, the "mechanics" behind a loan with a weekly payment due date falling in this same category, does not make any sense.

I am making it my mission, in fulfilling my fiduciary duty to my member/owners, to inform all my members/owners that this inclusion of "open ended consumer" lending is the reason that their **interest costs** on their vehicle loans **will be higher** in the future, because they no longer can obtain "weekly pay" loan products from us, they must now obtain a monthly payment loan. **As a "savings and lending" institution, who is trying on a day to day basis to fulfill it's obligation to the member/owners as stated within our mission statement, this 21-day rule is a detriment to my member's financial well being!**

PLEASE REMOVE 'OPEN ENDED CONSUMER LENDING' FROM THE WORDING IN THE CREDIT CARD ACT OF 2009!

Concerned Citizen, and President of Service 1st,

Michael R. Bailey