

From: Financial Plus FCU, Jill Reno
Subject: Reg Z - Truth in Lending

Comments:

Dear Federal Reserve Board;

I am writing to express concern regarding the 21 day periodic statement provision in the newly enacted Credit CARD Act. Financial Plus Federal Credit Union, much like most other credit unions, have always provided our members with a consolidated periodic statement that covers all of the members account relationships on one statement for the entire calendar month. Financial Plus also includes the credit card statement in this consolidated mailing, although the consolidated credit card statement may be the exception among credit unions. These statements are mailed as quickly as they can be processed, following month end, or quarter end for account relationships not requiring a monthly statement. However, I'm not aware of any credit union union that provides a separate statement for their Open-End loans. These consolidated statements make it impossible to make the required statement available for monthly payments which are due prior to the 25th calendar day of the month, regardless if it is a credit card or other open end loan account.

Since our credit card has a 25 day grace period and payments are due on the 25th calendar day of the month, as long as the periodic statement is in the mail by the 4th calendar day of the month, we will be in compliance. These statements are mailed as soon after month-end as possible and provide a 25 day grace period, which is pretty standard among credit unions. However, I urge the Board to consider the dilemma in meeting that short 4 day window for mailing when Sunday and Holidays fall within that timeframe. In example, in 2011, June 30th falls on a Thursday, meaning that we won't be able to begin statement processing until Friday, July 1st. The U.S. Postal Service is considering closing on Saturdays. We'll have to see what happens with that, but we do know that there will be no mail service on Sunday, July 3rd and no mail service on Monday, July 4th. That shortens the time to prepare and mail statements to 2 days for sure, and maybe 1 day if the Post Office closes on Saturday. These deadlines are unrealistic. This is just one example of the shortened deadline possible for Monday holidays, of which there are several each year. I know that the Board has limited flexibility in rule making of the Credit CARD Act, but I would urge the Board to consider viable options within its control to define the "reasonable procedures" standard contained in the Interim Final Rule to consider the effect weekends and holidays will have on the short 4 day mailing requirement for credit cards statements. This concern was also addressed in comment letters sent previous to enactment. We "reasonably" know that the weekends and holidays are there, we just can't produce statements any faster, and will be forced to extend the grace period, possibly several months each year. This will confuse members as to what the actual date is, and is in direct conflict with, what I think is the spirit of the Act, Section 106, which provides that credit card due dates must be the same day each month.

Open-End loans, other than credit cards, are an even bigger problem. All of our credit card payments are due on the 25th calendar day of each month. That is not the case for other Open-End loans. Open-end loans can be any calendar day of the month, at the members' option. If the payment is due before the 25th of the month, there is not even a chance that the statement

will be sent in time to meet the requirement. There are only two options available, 1). mail a separate statement to each Open-End loan individually, and put all other account relationships on the consolidated statement, or 2). ask members to voluntarily change their due date to the 25th or later in the month. We have decided on option 2 and have begun calling our members with Open-End loans. How successful these calls will be remain to be seen. How we will handle members that decline this option is yet to be decided. I don't know how other credit unions have decided to deal with this restriction, but either way, there will be an additional unnecessary expense to the credit union or an inconvenience to the membership. Either way, these are not good options.

Thank you for your attention to this very troublesome issue. We all realize you don't have much flexibility, but would appreciate any help you can provide.

Sincerely,
Jill Reno
Financial Plus FCU