

From: KEMBA Charleston FCU, Joetta Heck  
Subject: Reg Z - Truth in Lending

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Comments:

From: Kemba  
Sent: Friday, July 31, 2009 12:18 PM  
To:  
Cc:  
Subject: Credit Card Accountability and Disclosure Act of 2009

To Whom it May Concern:

I agree that there needed to be changes to the way certain lenders approach credit cards and I think that this regulation will help the consumer to avoid paying outrageous late fees and compounding fees on each other. Hats off for doing something.

However, when you threw all open end plan loans in on this regulation, it becomes very difficult if not impossible to comply with ..especially the August Deadline. We have been using CUNA Mutual's open end plans for several years now and have approximately 80% or more of our loans under these plans. They are auto loans, signature loans etc. Each of these loans are set up under a separate sub account and each has its own terms, rates and conditions. We allow our members the flexibility of having their payments due any day of the week and weekly, biweekly, monthly, semi monthly.

We only have late and over limit charges on our credit cards which can be in compliance I believe by the August Deadline. We do not charge any fees on any of our other loans period. However, we do need to collect delinquencies on these accounts and from the way I read the reg would not be allowed to even collect on a delinquent loan unless we send the member a periodic statement 21 days prior to each payment. We currently send out quarterly statements on loans except for credit cards which are monthly. But again we do not charge any fees.

If there is no fees being charged and the member signed up for certain terms, is it really necessary to remind them of the payment 21 days prior to every payment. I would think that they know. In order to even attempt to comply we would have to change all of our due dates to the end of the month and then send out monthly statements to all of our members with loans. First are we legally able to change the terms of these loans and if we do, it cannot be done by the August deadline. It is a good possibility that we would have to make these changes by hand and if so we only have 11 employees and thousands of loans (this will take forever). If our data processor can make a data base

change, it will cost a minimum of \$2,000.00. It will cost us approximately another \$20,000 annually for the extra statement mailings.

Our members are not going to be able to any longer choose when their payments are due, we will have to pass on the cost so they will not get as good a rate as they have now either, and we may have to consider charging fees that we have never charged before and really don't wish to?? We are asking that loans other than credit cards with no fees attached be stripped out of the reg. We are also asking that the due date for compliance be drastically changed so that we can even attempt to comply.

Joetta Heck  
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