

From: Winkler County Credit Union, Devora Mitchell
Subject: Reg Z - Truth in Lending

Comments:

Dear Sirs:

I am the president/CEO of Winkler County Credit Union in Kermit, TX. We serve the residents of four sparsely populated counties in West Texas, but have been fortunate enough to have over 5,300 of those residents become members of our credit union.

One of the main things we are told by our members when comparing us to the local banks, is how much easier it is to do business with us. We feel a portion of this is because we offer an open-end lending plan which cuts down on waiting time when requesting a loan. We have offered open-end loans for decades and to have to change to closed-end would be very disruptive and inconvenient for our members.

We are currently debating two options in order to be in compliance with this law, both which will be cumbersome and expensive. The increase in expenses will have to come directly out of the pockets of our members since income that could be paid to them in higher dividends will now be used to pay for compliance.

If we chose the option of sending out a billing notice 21 days before their present due date, some members will receive up to 5 statements a month from us. This would apply to a typical family with two vehicles, overdraft protection line of credit, and an unsecured loan. We currently have over 3,700 loans, all of which are open-end.

All the credit cards we issue are done at a fixed rate, with the most expensive being 13.9%. We do not engage in any of the predatory practices this bill was designed to address, yet we are being asked to revamp our entire lending program.

The August 20 compliance date has placed a huge burden on us. Our data processor does not have a solution in place at this time and having to do everything manually will put a strain on our small staff. Each employee is expected to handle two to three different operational areas, with no one available to handle compliance as their sole duty. It would help tremendously if the implementation of the interim final rule could be delayed for several months so our data processor could develop an automated process or we decide to comply by a different method.

Your attention and consideration of these matters will be greatly appreciated.

Sincerely,
Devora Mitchell
Winkler County Credit Union