

From: Meritrust Credit Union, Robert W. Corwin
Subject: Reg Z - Truth in Lending

Comments:

Dear Sirs,

I am writing you to respectfully request that the Board of Governors reconsider, or at a minimum delay, compliance with the 21-day notice provision for open-end loan plans other than credit cards under the new interim final rule implementing the Credit Card Accountability Responsibility and Disclosure Act of 2009.

I have been following the progress of this bill and up until recently applauded the efforts to curb credit card abuses and activities that harm consumers. The recent inclusion however, of other open-end credit which include general lines of credit, lines of credit associated with checking accounts, signature loans, home equity lines of credit and other types of loans permitted under open-ended lending has unintended consequences and questionable, if any, benefit to members/consumers.

Our credit union serves 55,000 members in central Kansas providing access to a wide range of deposit and loan accounts, including VISA. While we see no challenges in complying with the Card Act for our VISA programs, the same cannot be said for our other open-ended loan plans. We have utilized a multi-featured open-ended loan plan to provide qualified members maximum convenience and flexibility when accessing credit for over five years. We have semi-monthly and bi-weekly payment options to coincide with payroll cycles and provide our members with consolidated statements for all of their credit union accounts, other than VISA. All of this would need to change and/or be dismantled under the current proposal at significant expense to the credit union and be virtually impossible within the current time frame. More importantly however, it will be a significant take-away from our members.

In light of these issues, I am strongly suggesting that the Board of Governors reconsider requiring compliance under this act for open-ended loan programs other than credit cards. At a minimum, it is critical that the Board use its authority under the Truth in Lending Act, as it has when implementing previous TILA amendments, to allow more time for credit unions to comply with these provisions so they are not subjected to needless legal challenges.

I appreciate your attention to this very important issues

Robert W. Corwin
Meritrust Credit Union