

From: Health Facilities Federal Credit Union, Robert Harris
Subject: Reg Z - Truth in Lending

Comments:

Following is the original e-mail received:

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On behalf of the members of Health Facilities FCU, I am writing to you to respectfully request delay in the compliance with the 21-day notice provisions, for open-end plans, other than credit cards, to take effect 8/20/09, under the your new interim final rule implementing the CARD Act.. Credit unions are facing problems as they seek to make good-faith efforts to comply with the 21-day notice provisions. That provision prohibits creditors from treating payments as being late, unless creditors provide a periodic statement disclosure to members 21 days before the payment due date. Credit unions want to comply with all legal requirements, but these provisions have created severe implementation problems that are unprecedented in the credit union system. We provide our members with consolidated statements that combine information about all savings, checking, and loan accounts the member has with the credit union. Our members appreciate and prefer consolidated statements, as opposed to receiving multiple statements. Also, our members often choose weekly and biweekly payments and designate the due dates for their payments, often to coincide with when they receive payroll deposits, all of which will need to be changed in order to comply with these provisions. This severely impacts our more economically challenged members as it is usually the lower paid individuals that need the convenience of payments corresponding to their paydays. While we urge the Federal Reserve Board to provide more time for compliance, we also respectfully request that the Board permit credit unions to continue to utilize consolidated statements by placing on each member's monthly statements the dates on which all covered payments are due in the current month and the next month; this will ensure that members receive at least 21-day notice for all open end payments. This is the most viable option for achieving compliance for open end plans other than credit cards and could alleviate the need to dismantle credit union systems that utilize consolidated statements. However, even with this option, credit unions will still need additional time and will accrue additional expense to implement the various changes to their systems that will be necessary. Due to the vital importance of this issue to credit unions and the rapidly approaching effective date, we urgently request

the remedies we have outlined. In the meantime, we appreciate your attention to this very significant issue for our credit union. Sincerely, Robert D. Harris CEO Health Facilities FCU.