

From: Eli Lilly Federal Credit Union, Rick Thornburg  
Subject: Reg Z - Truth in Lending

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Comments:

To Whom This May Concern:

Please accept my commentary regarding the above legislative item, specifically, the 21 -day advance notice issue that was part of the Credit Card Accountability and Disclosure Act of 2009.

I believe it is imperative that our legislators understand the hardship applied to credit unions as a result of this action particularly the limited amount of time that was provided to comply. Improved disclosures designed to correct abuses are always supported by the credit union industry. However, in this case, it appears that the language dealing with open-end credit or better put, single signature lending agreement, was added quickly at the last minute in a closed process that did not permit meaningful input. The collateral damage of lumping an open-end credit agreement unique to credit unions in with legislation tied to credit card abuse illustrates why reasonable commentary should be required before enacting such broad legislation.

This legislation will have a serious negative impact on financial institutions (credit unions) who are consistently working for the benefit of their members. It is imperative that legislators understand that credit unions differ from other financial institutions in that credit unions provide consolidated statements that combine information about all savings, checking and loan accounts that the member has with the credit union. Credit unions also commonly set up repayment plans tied to the member's payroll deposits: weekly, bi-weekly, monthly, etc. -- all of which would need to be changed to comply with these provisions. Alternative solutions would be to provide separate billings statements for each account or provide monthly billing notices -- all things that cause unnecessary expense to credit unions. These expenses are ultimately passed on to the member in the form of higher loan rates or lower savings rates.

I would urge the Board to accept the proposal submitted by the Credit Union National Association (CUNA): To provide more time for compliance but also to "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 a 21-day notice for all open end payments." I do not believe the elimination of consolidated statements was the intent of this legislation but it is an unintended and expensive result.

I appreciate the opportunity to voice my opinion on behalf of the Eli Lilly Federal Credit Union and would hope that the Board will agree with the proposal submitted by CUNA.

Sincerely,

Rick L. Thornburg  
Eli Lilly Federal Credit Union