

From: Secured Advantage Federal Credit Union, Betty Rigdon
Subject: Reg Z - Truth in Lending

Comments:

The Honorable Ben S. Bernanke, Chairman
Board of Governors of the Federal Reserve Board
20th and C Streets, NW
Washington, DC 20551

Re: Interim Final Rule Implementing the Credit Card Accountability
Responsibility and Disclosure Act

Dear Chairman Bernanke:

On behalf of Secured Advantage Federal Credit Union, I am writing to you and the entire Board of Governors to respectfully request a delay in compliance with the 21-day notice provisions for open-end plans other than credit cards. The current compliance date is set to take effect August 20, 2009.

SAFCU is facing multiple problems as we seek to make good faith efforts to comply with the 21-day notice provisions for all open-end plans. The 21 day notice provision prohibits us from treating payments as being late, which will mean we cannot file a credit report, must make additional advances on delinquent loans and may not charge a late fee even if the payment is late, unless we provide a periodic statement disclosure to members 21 days before the payment due date. We truly want to comply with all legal requirements, but these provisions have created severe implementation problems.

We differ from other financial institutions in that we provide our members with consolidated statements that combine information about savings accounts, checking, and loan accounts that the member has with the credit union. Our members appreciate this consolidated statement as opposed to receiving multiple statements. Also, many of our members have chosen a weekly, bi-weekly or semi-monthly payment frequency to coincide with their pay frequency so they can use direct deposit to make their payments. This is very important to our members who find this payment method considerably convenient.

In short, to comply with the 21-day rule, Secured Advantage FCU will be required to establish a statement system other than the preferred consolidated statement system. The consolidated statement system has been in place at our credit union for 50 years and totally accepted by our membership.

This will be extremely expensive and these expenses, which will be compounded because of the imminent effective date, will have to be borne by the credit unions' membership. We realize there was language included in the Supplementary Information accompanying the rule that sought to provide an option to credit unions to provide a temporary disclosure insert with statements, and we appreciate the effort this represents to address our concerns. However, this option will not provide meaningful relief in our compliance efforts.

In light of these problems, it is critical that the Board use its authority to allow more time for credit unions to comply with these provisions so they are not subjected to needless legal challenges. 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 our members receive at least 21-day notice for all open end payments. This may be 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, we will still need additional time to implement the various changes to our systems that will be necessary.

SAFCU appreciates your attention to this very significant issue for credit unions.

Sincerely,

Betty Rigdon
Secured Advantage Federal Credit Union