

From: NASA Federal Credit Union, Karen M Christian  
Subject: Reg Z - Truth in Lending

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Comments:

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August 3, 2009 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 - Docket No. R-1364 Dear Chairman Bernanke: I am writing to you and the entire Board of Governors to respectfully request that the Board delay compliance with the 21-day notice provision for open-end plans other than credit cards set to take effect August 20, 2009, under the Board's new interim final rule implementing the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act). NASA Federal Credit Union (NASA FCU) is facing many problems as we seek to make good faith efforts to comply with the 21-day notice provisions for all open-end plans, which include lines of credit, signature loans, automobile loans, home equity lines of credit, and other types of loans permitted under open-ended lending. That provision prohibits us from treating payments as being late unless we provide a periodic statement to our members 21 days before the payment due date. As a result we will not be able to file a credit report or charge a late fee if a payment is late. NASA FCU wants to comply with all legal requirements, but these provisions have created severe implementation problems. NASA FCU provides our members with consolidated statements that combine information about all savings, checking, and loan accounts that the member has with our credit union. It is our understanding that credit union members appreciate and generally prefer consolidated statements. Also, our members often choose 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 change will be a huge inconvenience and disservice to our members. In short, to comply with the 21-day rule, we will be required to dismantle our consolidated statement system or provide separate, additional statements for each loan account. This will be extremely expensive and these expenses, which will be compounded because of the imminent effective date, will be borne by our membership. In light of these problems, 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 NASA FCU to

comply with these provisions so we are not subject to needless legal challenges. We also respectfully request that the Board permit NASA FCU to continue to utilize consolidated statements by placing on each member's monthly statement 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. 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 our consolidated statements. However, even with this option, we will still need additional time to implement the various changes to our system. We appreciate your attention to this very significant issue. Sincerely, Karen M. Christian, Lending NASA Federal Credit Union.