

From: Golden Triangle FCU, Christa Hollier
Subject: Reg Z - Truth in Lending

Comments:

DATE: August 3, 2009

TO: Board of Governors of the Federal Reserve
20th & C Streets NW
Washington, DC 20551

RE: Regulation Z: CC Act /TILA

I am writing on behalf of Golden Triangle Federal Credit Union in Groves, Texas. We are approximately 25 million in assets. We are a one office credit union proudly serving our 3400 members.

Complying with the 21 day rule is causing much hardship on our Credit Union. After reviewing the interim final rule, our loan portfolio, and the loan configuration, it was decided that in order to be in compliance we will have to recognize the immediate cost of 1) Webinars/seminars for staff; 2) Member Notification; 3) Employee time to review member due dates in consideration of making changes; 4) Software changes; 5) Loss of late fee income; and 6) Cost of converting to Monthly Statements for members with Open-End Loans.

We offer open-end lending to our members because of the convenience. The members have found comfort in selecting their due date and making their payments to suit their own personal financial situation. We pride ourselves on meeting our member needs. The 21 day rule takes away some of the member privileges and creates a cost burden that will have to be passed on to the member in the form of higher loan rate, lower saving rate or fees.

Preserving the current operations of open-ended lending benefits our member because over time we have developed a relationship with them that they can trust us to serve them with minimal fees and maximum convenience. To ensure compliance, Golden Triangle FCU will have to forego some late fees to ensure all members have received their notification. The operational cost for changes will include changing due dates on existing loans and delivering monthly statements. Our members have enjoyed receiving consolidated statements for years. They rely on us to deliver products and services in a cost effective manner. This interim rule will have a negative impact due to these costs - not to mention member confusion.

It is the desire of Golden Triangle FCU to be member friendly - the new rule has an anti-consumer face for those members who choose to be prudent and elect to pay weekly or semi monthly. It will appear that we are discouraging multiple payments per month that would reduce the member interest repayments. Golden Triangle FCU does not engage in any of the predatory credit card practices this bill was designed to address. We are unfairly being asked to change a lending system that has worked exceedingly well for our members for over 30 years due to the irresponsible actions of others - why unfairly punish and burden responsible lenders?

In conclusion, Golden Triangle FCU is asking at a minimum - delay implementation of the new interim final rule for several months so that these

complex issues can be sorted out by credit unions, data processors, and the members. We all need time to comply, this deadline is simply unreasonable.

Sincerely,

Christa Hollier
Golden Triangle FCU