

From: Scott Credit Union, Frank Padak
Subject: Reg Z - Truth in Lending

Comments:

Following is the original e-mail received:

First Name: Frank
Last Name: Padak
E-Mail:

Profession:
Organization: Scott Credit Union
StreetAddress1:
StreetAddress2:
City:
State:
Country: US
Postal Code:
Referring URL:

E-mail Content:

RE: Docket No. R-1364 It is with great concern that I ask you to delay the required compliance date of August 20, 2009 for the 21 Day Notice per the Credit Card Accountability, Responsibility and Disclosures Act of 2009 (Act) signed by President Obama on May 22, 2009. If this Act applied to credit cards only, we certainly would be able to meet the required compliance date. However, intentionally or unintentionally, this Act appears to apply to ALL Open End credit including HELOCS which will require significant system modifications that we simply are unable to accomplish in the given time frame. I think it is important that you always are aware that we provide our members with consolidated statements that combine information about all savings, checking, and loan accounts, other than credit cards, that a member has with the credit union. Our members prefer the convenience of consolidated statements. Many members on payroll deduction choose weekly or biweekly payments that coincide with their payroll deduction and reduce the total interest paid. The option of weekly or biweekly payments might need to be removed in order to comply with the 21-day requirement. Consolidated statement systems and other procedures, which have been in place for decades may have to be substantially changed or dismantled. The cost of these changes will be very substantial in a year when credit unions are facing other extraordinary expenses. The cost will be substantially compounded because of the August 20 effective date. The language in the Supplementary Information accompanying the regulation that attempts to provide an option to credit unions that cannot immediately comply (by allowing them to provide a temporary disclosure insert with statements) does not provide meaningful relief because a credit union must still immediately revise its computer programming to ensure that no payment will be considered delinquent even if the due date is less than 21 days. It is critical that the Board allow more time for credit unions to comply with these provisions so they are not subjected to needless legal challenges. Your attention and consideration to this most critical matter is greatly appreciated. Frank M. Padak, Scott Credit Union