

From: Fort Worth Community Credit Union, Richard Howdeshell
Subject: Reg Z - Truth in Lending

Comments:

Board of Governors of the Federal Reserve
Washington, DC 20551

I am writing to request that the Board eliminate, or at least delay compliance with, the 21 day notice provision for open-end loans under the CARD Act that is scheduled to take effect on August 20, 2009. As president of Fort Worth Community Credit Union, which represents 56,000 members in the north central Texas area, I support the provisions of the Act as they pertain to credit cards. And I believe the credit union industry supports them also. Consumers need the protections provided by the Act as many credit card issuers have become less consumer-friendly. However, including open-end loan plans, which are used by consumers for auto loans and other personal loans, in this Act was simply a mistake.

Ironically, while the Act was intended to be pro-consumer, applying the provisions to open-end loan plans has the reverse effect by creating a situation where credit unions simply cannot make reasonable changes within the given time frame. The result will be that some credit unions may restrict the amount of credit available. All credit unions will be forced to make operational changes that will make obtaining a loan more cumbersome and time consuming for the credit union member. For instance, members who repay their loans with payroll deduction may find that the credit union must recalculate their loan payments and change from weekly or bi-weekly payments in order to comply with the provisions of this Act. And the unnecessary cost of the changes will ultimately be borne by credit union members, the people who own the credit union.

Open-end credit has been in place for many years and has worked very well for both credit unions and their members. To my knowledge, there were no problems to be fixed by including open-end credit in this Act. By doing so, we're trying to fix something that wasn't broke.

Again, I request that you eliminate, or at least delay compliance with, the 21 day notice provision for open-end loans under the CARD Act.

Richard Howdeshell
Fort Worth Community Credit Union