

From: SIU Credit Union , Dennis Schaefer
Subject: Reg Z - Truth in Lending

Comments:

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I am currently with a Credit Union that uses Open End Credit for Credit Cards only but have considered offering to our membership Open End credit for our other consumer loans as I have been familiar with throughout my 25+ year Credit Union career. During that time I have seen Open End credit perform in an excellent manner for all types of consumer loans allowing Credit Union Members the freedom to choose the payment method (Over the counter coupons, Payroll Deduction and Automatic Transfer) and the freedom to choose the exact date that will best fit their personal budgets. Open End as it applies to loans other than Credit Cards has been able to make the process of obtaining and receiving credit or access to credit a more easy and pleasant way to conduct business and has worked well for the Credit Union industry. To lump this type of Open End credit into the same category of Credit Cards is something that is being done without the understanding of how this credit option is different than that of Credit Cards and the burden it will put on the Credit Union industry and the members we serve to comply. To get members to adjust their payments to comply with a 21 day billing cycle when they for years may have paid their loans (Other than Credit Card) by weekly, Bi-Weekly, Semi-Monthly or Monthly payroll methods that are a best fit for their individual Budgeting needs will certainly cause hardship and strain on more than a few of the millions of members that conduct their consumer debt payments this way. What I see that has not been considered is the difficulty in getting people to accept/adjust to a change in their payment methods in the short time allowed to comply. If this requirement were for Credit Cards only then the millions of members that will be effected will not be impacted because the Credit Card Programs are currently set up on cycles that are more in tune with the changes. I would request that consideration be given to the fact that not all Open End credit performs in the same manner as Credit Cards and should be considered seperately. I thank you for you time and your consideration in this matter and am open to discussing this matter with any member of the Board.