

From: Meritrust Credit Union, Jeff Lindholm  
Subject: Reg Z - Truth in Lending

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Comments:

I am writing this letter on behalf of Meritrust Credit Union concerning the difficulties surrounding the Credit Card Act, specifically the 21-day rule requirements which go into effect August 20, 2009, as they apply to open-end credit plans other than credit cards. We ask you consider moving the effective date to allow more time for these changes to take place in a manner which will ease the negative impact to our consumers.

Under the new Credit Card Act, creditors including credit unions must provide a statement to borrowers for all open-end credit plans (including credit cards, lines of credit, home equity lines of credit and all other types of open-end credit, such as automobile loans) 21 days before their payment due date. If a statement is not provided, creditors cannot treat payments as late for any purpose, including filing a credit report or charging a late fee - even if the payments are late. Creditors must continue providing additional credit under open-end lines of credit.

Meritrust Credit Union has been anticipating these changes as they relate to credit card accounts and we are implementing the necessary processes as they apply in this situation. We are not asking for an effective date change for credit cards. Our main concern is a high percentage of loan consumers rely on the option of designating their payment due dates as bi-weekly or semi-monthly. These options allow our consumers to spread out their expenses and pay less in finance charges over the life of the loan. By requiring a statement 21 days prior to the due date, the consumer will receive a statement for the next payment due before they have paid the prior payment. For example, per the new rule, if their payments are due the 15th and 30th of each month, the consumer would receive a statement before the 24th of the previous month, and again on the 9th of the current month. We anticipate consumers will be confused by receiving another statement and irritated with the increased amount of unnecessary mail. Processing systems, printing options and payment due dates will have to be changed to comply with the rule which creates additional expenses for the credit union, but more importantly, it creates an inconvenience to our consumers.

Thank you for your consideration of this request.

Jeff Lindholm  
Meritrust Credit Union