

From: MemberSource Credit Union, Charles Hallmark
Subject: Reg Z - Truth in Lending

Comments:

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

Dear Board of Governors;

I am writing on behalf of the membership and staff of MemberSource Credit Union, Houston Texas. Our membership consists of over 21,000 hard working average Houstonians looking to the credit union to provide pro consumer products and services. My comments and request are regarding the Reg Z changes in the Credit Card Act. My contact information here at the credit union.

The recent and unreasonable change to Regulation Z as regards to Multi Featured Open End Plans has placed us in a situation where compliance will be almost impossible to achieve by the August 20th, 2009 compliance date. This unprecedented short notice and time for compliance has thrown us and other credit unions into a frenzy. I have never seen this level of frustration, anger and comment from credit union managers regarding any issue. I am asking the Board of Governors to delay the implementation date to allow credit unions sufficient time to meet with their core processors, statement vendors and IT staff to find viable solutions to these changes, especially the 21 day rule.

The Multi Featured Open End Lending that a majority of credit unions have used for more than 30 years is pro consumer and easy for our membership to understand. The Reg Z changes, especially the 21 day rule, will completely change how credit unions provide low cost service their membership. The cost to many credit unions to implement these changes is overwhelming and may be unsustainable. These rule changes will cause many credit unions to experience such financial difficulty that they may be unable to remain a healthy organization. This may cause increased consolidation and fewer choices for consumers. The negative impact of these changes will be seen as anti-consumer and viewed as unnecessary governmental meddling.

While we applaud the changes in the Credit Card Act to stop predatory credit card practices, the inclusion of the words "all other open end lending" has gone too far, and may underscore a lack of understanding by our regulators and elected officials of how credit unions use Multi Featured Open End Lending. Credit unions have never practiced nor participated in predatory lending. The not for profit structure and mission of credit unions clearly proves that these practices are not part of the credit union movement. The changes required for open end lending, especially the 21 day rule has created a compliance disaster. A legislative review of the 21 day rule will surely need to occur to address this exceedingly unfair and anti consumer change.

Once again I ask the Board of Governors to use it's authority to delay the implementation of the 21 day rule for open end lending until credit union have the ability to comply. A delay may also allow legislators time to review and amend any unintended consequences of the of the Credit Card Act. I am asking you to do the right thing for consumers.

Thank you.

Charles Hallmark
MemberSource Credit Union