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The original intent of the January 2009 FTC Act Rule applied only to credit card accounts. As we all have seen there was significant abuse by some credit cards companies and the original intent was focused on cleaning up what needed to be clean up. Now the Board of Governors of the Federal Reserve System sees a need to impose the law on all open-end consumer credit plans. I believe this is a serious error on their part and will damage the credit union industry -- both the members and the credit union. Perhaps an explanation of how the open-end credit plans work within the credit union industry will help (Clearly the Board did not have an understanding when they redefined the statutory provisions that were not in the January regulation.). Credit unions which are owned by the membership are conservative by nature. For decades credit unions have used open-end lending forms. Once a member has signed the original credit agreement, they can continue to borrow by signing Advance Requests under that agreement. The payment terms and rates are clearly disclosed on the advance forms and the member is provided with an addendum which is incorporated into and part of the initial credit agreement. The system is very much like closed-end loans -- clearly disclosing all terms and conditions for the loan advance. CUNA Mutual Group, which provides LOANLINER lending to hundreds of credit unions, has been providing the open-end lending system for decades. Credit unions provide the members with automated payment options on their open-end loans, such as payroll deduction, transfers from their shares (savings), ACH, EFT, etc....just like closed-end loans. Many of our loans are set up with terms that best meet the needs of the members (such as bi-weekly or semi-monthly payments). The 21-day notice/statement will cause confusion to the members; it will cause an exorbitant expense to the credit unions (which will end up costing our members as well); and it will cause additional interest accrual (i.e. by pushing the due dates out 21 days) to the members. An attempt to improve on a system that already works well is unwarranted and could be detrimental to our industry. As we say in Texas, "If it ain't broke, don't fix it!"

Respectfully yours,

Ellen Hein