

From: Spokane Teachers Credit Union, Teresa Wilhelm
Subject: Reg Z - Truth in Lending

Comments:

Dear Chairman Bernanke:

Spokane Teachers Credit Union (STCU) is a state chartered credit union and serves the Spokane, Washington area. It has approximately 84,000 members and 1.3 billion in assets. We would like to take this opportunity to share our concerns regarding the interim final rule, issued by the Federal Reserve Board on July 15, 2009 amending Regulation Z to implement various parts of the Credit CARD Act of 2009.

STCU generally supports and agrees with many of the provisions of the Credit CARD Act. We understand the importance of protecting consumers against abusive credit card practices. We are proud of our excellent member service and do not engage in these types of practices. Compliance with most of the provisions will not create an undue hardship for STCU as we already provide many of these protections for our members.

At issue for STCU is the new compliance requirement that periodic statements on open end credit plans be sent 21 days prior to the due date of each loan. Although we currently meet this requirement for our credit card statement periods, we were surprised and disappointed to learn this provision was extended to include all open end lending.

Like most credit unions in the country, we utilize multi-featured open end lending plans. This allows us to streamline the lending application process for members in order to provide convenient and efficient service. Members are allowed to select their contractual payment due date and may pay more frequently at any time without a prepayment penalty. For efficiency purposes, a combined monthly statement is provided at month end and includes both deposit account and loan account activity. This practice has served our members well over the years. Unfortunately, with the new 21 day requirement, approximately 14,000 STCU members will be forced to change the due date that they personally selected for each of their open end loans at the credit union.

We urge the Federal Reserve Board to reconsider the final interim rule and delay the compliance deadline for this provision beyond August 20, 2009. Additional time is needed to coordinate this change with our data processing system provider, update internal credit union lending procedures, provide new training to STCU lending staff and provide notification to our members. If the Federal Reserve Board is unable to delay the implementation of this regulation, it could instead issue timely guidance allowing credit unions to come into compliance by printing both the current month's due date as well as the next month's due date on the periodic statement. This would give credit union members more than 21 days advance notice on future payments.

Thank you for your time and consideration.

Teresa Wilhelm