

From: Communication Federal Credit Union, Billy McDaniel
Subject: Reg Z - Truth in Lending

Comments:

Dear Chairman Bernanke:

I would like to first state that I believe the Credit Card Accountability Responsibility and disclosure Act is a great move to protect consumers from some very unfair practices by many credit card vendors. I believe this is a great act for the American public and helps level the playing field for financial institution that have always acted appropriately towards their customers and in my case members.

What I am truly concerned about it this act also including all open ended lending. The August 20, 2009 deadline to implement the 21 day notification for all open ended loans is highly inadequate and cannot be accomplished effectively. Like my credit union, most credit unions are faced with the same hard decisions to comply with this act. Every option available to comply with the new act is actually a detriment to the consumer. I am opposed to forcing my members to change all their due dates to the end of the month so the monthly consolidated statement can act as the 21 day notification. I also have tremendous issues with forcing my members to pay their loans monthly instead of the weekly, bi-weekly and semi-monthly options we currently offer for their convenience. The majority of my members are set up to pay their loan via payroll or other automated methods. The payment due date has been adequately disclosed in the initial loan disclosure documents and has never created an issue in the years we have offered open end lending. So far the only option I can come up with is to produce a notice type document that could be sent to each member 21 days prior to their due date, the issue with this option is many of our members pay their loan every 7 days. If I send a notice to a member that their payment is due in 21 days, they may think for some reason the payment due in 7 days and again in 14 days are not due causing all kinds of confusion and possible delinquency.

I would like to see the act totally remove all references to open end lending and concentrate solely on credit cards. If the board believes this is truly a benefit to the consumers, financial institutions should be able to place all the due dates in the current month and the following month in the monthly consolidated statement. This would work, but time would be needed so data-processing vendors could update programs to handle the new compliance issue. Software options cannot be completed by August 20, 2009. Changes of this magnitude will take months to code, test and implement.

If you have any questions please drop me an e-mail or give me a call.

Thank you for your consideration

Billy McDaniel
Communication Federal Credit Union