



Military and Civilian Federal Credit Union

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August 4, 2009

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve Board
20th and C Streets, NW
Washington, DC 20551

Re: Interim Final Rule Implementing the Credit Card Accountability
Responsibility and Disclosure Act

Dear Chairman Bernanke:

On behalf of Military and Civilian Federal Credit Union, I am writing to you and the entire Board of Governors, to respectfully request that the Board delay compliance with the 21-day notice provisions for open-end loans other than credit cards. This notice is set to take effect August 20, 2009 under the Board's new interim final rule implementing the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act). Because of the shortness of the deadline, this time limit for making the changes to affected systems, testing the changes and rollout simply cannot be met.

Under the new CARD Act, creditors including credit unions must provide a periodic statement to borrowers for all open-end credit plans, including credit cards, lines of credit, home equity lines of credit, automobile loans and all other types of open-end credit, 21 days before the payment due date. If the statement is not provided, creditors may not treat payments as late for any purpose. Thus, if a credit union fails to provide the statement to members, it cannot report payments as late to credit bureaus or charge a late fee, even if the payments are late, and it must continue to provide additional credit under open-end lines of credit. In addition, credit unions may be subjected to enforcement sanctions and civil liability for noncompliance. NCUA is charged with enforcing the new law for federal credit unions, but the problems credit unions are facing because of the 21-day rule raise safety and soundness concerns for federally insured credit unions across the country.

We are not asking that the portion of the rule relating to credit cards be delayed. Credit union systems can make the necessary changes to their systems to provide the statements for credit card accounts within the 21-day window and we are not asking you to intervene to help delay the rule for those accounts. This

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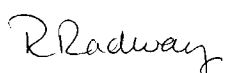
change for credit cards has been in the works for some time and credit unions were anticipating it.

However, with the addition of open-end loans to the language of the CARD Act, most credit unions find themselves in a position where change to core system software is required to comply with the 21-day rule. Many credit unions provide periodic statements to their members that include information about all of their accounts including savings, checking, and loan accounts that a member has with the credit union. Members like getting all the information in one place and credit unions find this approach efficient and cost-effective. With the open-end credit plans, credit union members appreciate being able to designate their payment dates and having the option of weekly or biweekly payments to spread out their expenses.

All of these systems will have to be changed, which will be extremely expensive with the member owners of the credit union bearing the burden of costs to comply with the rule change. More importantly, however, most affected credit unions simply cannot make the necessary changes by August 20. This change requires our banking systems vendor to alter their core software programs. With so short a window to make the change this deadline cannot be met and subjects credit unions to possible sanctions and legal challenges simply because we are unable to make the required modifications fast enough.

Therefore, we respectfully request that the implementation of the 21-day rule as it relates to open-end credit plans be postponed for several months to allow time for credit union software vendors to make the changes required to comply with the new law.

Respectfully,

A handwritten signature in cursive script that reads "R. Radway".

Raelynn Radway
CEO