

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

Dear Chairman Bernanke:

On behalf of St. Paul Federal Credit Union, I am writing to you and the entire Board of Governors to request that you delay compliance with the 21-day notice provisions for open-end plans other than credit card plans set to take effect August 20, 2009 as a part of the CARD Act.

St. Paul Federal Credit Union is making a good faith effort to comply with the 21-day notice provision of the ruling that implements the Credit Card Accountability Responsibility and Disclosure Act of 2009. Although we have the desire and intention to comply with the new requirements, we are facing numerous challenges that will make the implementation of these changes both burdensome and expensive.

Our data processing system will not be able to accommodate the changes by the deadline date of August 20, 2009. The manufacturer of the software is diligently working on the development of a program that will ensure compliance with this new ruling. Because the ruling requires so many changes, the software developers must create a program that will: 1) automatically change loan due dates to meet the 21-day notice provision, 2) change loans with a current payment frequency of weekly, bi-weekly and semi-monthly to monthly payments, 3) recalculate payment amounts to ensure that loan payment amount is commensurate with the payment frequency, and 4) adjust electronic payment systems to ensure that the correct amount is paid on the loan. Because these changes require sophisticated software programming and testing, the manufacturer of the software is not certain what date the software will be released to its clients. And once the software is released to our Credit Union, we will need to fully test on our member data before implementing to ensure the results will be accurate. A rushed implementation could very well cause erroneous changes to be made to our members' accounts. Any error would generate additional expenses – directly for the software fixes and indirectly for the loss of trust and confidence of our members.

Implementing the 21-day provision will require our Credit Union to recreate its entire statement processing system. The expense associated with this recreation will be borne by our members. The expedited effective date only compounds the expenses. The cost to create the software to implement the statement changes is approximately \$1000.00. The additional expenses the Credit Union will incur by sending monthly statements will be approximately \$17,000.00 each year.

Finally, the rushed implementation of the 21-day provision will cause member confusion and frustration. We serve our members well and have encouraged many of them to select payment options that make their lives the most convenient. For example, many of our loans are set up on bi-weekly payments (where the due date of the loan occurs every two weeks). Quickly forcing these members to change to a monthly

payment that most likely will not coincide with their payroll dates may cause them distress, confusion, anger and inconvenience. Delaying the implementation of this ruling will allow our Credit Union the time it needs to effectively communicate this change to our members in a manner that will create convenience and efficiencies in their financial lives.

Given the challenges that our Credit Union faces to implement this ruling, I believe it is critical that the Board use its authority under the Truth in Lending Act to allow more time for credit unions to comply with these provisions so they are not subjected to needless challenges.

I very much appreciate your attention to this very significant issue for our Credit Union.

Sincerely,

Mitch Myre
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