

FELLOWSHIP
CREDIT UNION

8200 Windway, San Antonio, TX 78239
210-599-4488 FAX 210-599-6150

August 6, 2009

Board of Governors of the Federal Reserve
20th & C Streets NW
Washington, DC 20551

To the Honorable Board of Governors:

Fellowship Credit Union is a full-service community credit union, which has been in operation since 1941. We have approximately 2600 members, 6 full-time employees and \$20 million in assets. Credit Union's face numerous problems in trying to implement a plan to comply with the 21-day notice for all multi-featured open-end loans. There are Credit Union's who mail quarterly statements on loans and monthly statements on share draft accounts or any account that is affected by an electronic transfer. Many operate with a small staff and the burden of additional monthly statements for all open-end loans would be tremendous. Credit Union members would be also be confused and concerned when they receive multiple statements, depending on how many loans they have outstanding. The cost of additional staff, statement paper, envelopes, printing and postage would need to be passed on to the members in the form of higher loan rates, lower deposit rates, or higher fees elsewhere. Credit Union relationships with their members will suffer, all in an effort to comply with a law that is intended to benefit consumers.

Credit Union membership nationwide has come to expect the convenience that Open-End lending provides. There are members who add to their Open-End Personal loan monthly to enable them to pay necessary bills until they receive their next paycheck. If Credit Union's are forced to change to Closed-End lending due to the passage of this bill and its negative effect on multi-featured open-end lending, it could drive our members to predatory pay-day lenders who charge an astronomical interest rate. Credit Union's also have members who have their payments set up for semi-monthly or biweekly payments to enable them to match payment due dates to their paychecks. Forcing them to change to monthly payment due dates, again to comply with this law, would impose undue hardship on the borrower. The very bill that was intended to have pro-consumer legislation would actually become anti-consumer.

I urge you to, at a minimum, delay implementation of the new interim final rule for several months so credit unions, data processors and the members can sort out these complex issues.

Thank you again for the opportunity to express my comments and concerns on this critical issue.

Sincerely,

Pam Jones
President