

From: Rockdale Federal Credit Union, Ron Montgomery
Subject: Reg Z - Truth in Lending

Comments:

Board of Governors of the Federal Reserve

20th & 6th Streets NW

Washington, DC 20551

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

To the Honorable Board of Governors:

I am Ronald W. Montgomery, President of Rockdale Federal Credit Union (RFCU).

Our membership includes about 8900 member accounts primarily consisting of member personal and small business "DBA" accounts. RFCU has been serving our members since inception in 1970 and is a member owned, member driven credit union. RFCU supports good consumer and/or member legislation and works hard to meet regulatory mandates. We have no major problems in complying with the Credit Card Accountability Responsibility and Disclosure Act as it relates to credit cards. The Act appears to be very good for consumers and may help limit problem areas with predatory credit card lenders. RFCU does not support such lending and tries to take care of its membership rather than take advantage of the member. We do not engage in any of the practices this law is designed to cure; our credit card statements are sent monthly more than 21 days before the due date.

However, the extension of the law to all open-end loans creates an extremely costly and most difficult burden borne unfairly by credit unions and their members.

Examples of the problems we face complying with the law:

1. Our in-house data processing system is not currently capable of generating the new disclosures and certainly not the format coming into being next year. We may have to use an outside vendor as we do now with our credit card statements and create loan statements and loan statement mailings separately from our deposit account statements. We do not have the exact answer as of this writing but are looking for a reasonable solution to the problems; solutions are hard to determine at this time

2. We face the difficult choice of retaining our consolidated statements and

resetting all payment due dates to end-of-month or mailing loan statements almost daily to satisfy the due dates that fall at various times of the month. Our members generally want due dates set to meet their cash flow needs and a high percentage may very well be unhappy with a due date change. Ultimately, members will indirectly have to bear the costs of the solutions.

Another example is members who have bi-weekly or weekly payment terms would be an extremely difficult challenge to conduct a 21-day notice mailing program of due dates. If a members original payment schedule has to be changed to a monthly schedule from a schedule previously chosen by the member, the loan interest cost will most likely increase and the member will most likely be very unhappy.

Our current program is very efficient and consumer-friendly while being efficient. It is improperly included in a law designed to curb lending abuses.

As President of Rockdale Federal Credit Union, I am asking the Board to allow ample time, up to several months, to implement the interim final rule. This time will allow us, our industry and regulatory authorities to sort out these complex issues and properly prepare members for any change that may be necessary on their part in order for RFCU to achieve compliance. We need time to comply; the current deadline is unreasonable.

Respectfully and sincerely,

Ronald W. Montgomery
Federal Credit Union