

From: SRP Federal Credit Union, Dick Coleman
Subject: Reg Z - Truth in Lending

Comments:

Ladies and Gentlemen of the Federal Reserve,

I write to you today regarding the possibly unintended consequences of including 'open end credit' under the mandatory compliance requirements of August 20, 2009 under the above Act and implementing rules.

We are a sizeable Federal credit union (\$500 million+) and we have spent most of the past few weeks trying to develop strategies to comply with the August 20th periodic statement requirements. Like most credit unions, we provide one monthly statement to our members on which all of their deposit and loan relationships are listed. For those loans that are 'open end', which are most of their loans with us, we use this monthly statement as their periodic statement. The loans reflected on this statement have due dates throughout the month. The only solution available to us, while gaining for us compliance with this legislation, forces us to unilaterally move every member's loan due date to the end of the month in order to accommodate the periodic statement being mailed a minimum of 21 days in advance of the due date. Like most of the credit unions in the nation, large numbers of our members have their contractual payment set up as weekly, bi-weekly or semi-monthly. We will have no choice but to convert those from the member's preference to a monthly schedule since it's not realistic to send periodic statements outside of a 21 day window for each weekly or twice monthly payments/due date.

As with most financial institution's clientele, our membership is not generally fond of having a change in terms imposed upon them so we expect massive numbers of telephone calls from them asking for explanation beyond that contained in the notification letter.

Since the intent of this legislation, as evidenced by the title, was to improve disclosure to the debtor regarding credit card debt, our industry would encourage the FRB to clarify whether this August 20th requirement was indeed intended for all open end credit plans. If that was the intent, a February 2010 date would allow credit unions to thoroughly think through what we need to do to comply without causing undue upheaval in our members' lives as a result of a rush to comply. If it was intended to apply only to credit card accounts, please do what you can to amend the meaning of the language prior to millions of letters going out and hundreds, perhaps thousands, of institutions fail to comply because of insufficient notice for such a sweeping change.

Thank you,

Dick Coleman
SRP Federal Credit Union