

From: Educators Credit Union, Joe Hutyra  
Subject: Reg Z - Truth in Lending

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Comments:

August 6, 2009

Board of Governors of the Federal Reserve

20th & C Streets NW

Washington, DC20551

Board of Governors:

I am the CEO of Educators Credit Union. Our home office is in Waco, Texas and we have additional locations which serve a total of 33,000 members in six counties. Our asset size just topped \$241,000,000. The purpose of my correspondence today is to address our concerns with the 2009 Card Act and its detrimental effect on our membership.

Even though our credit union does not now nor has it ever engaged in any of the predatory credit card practices this bill was designed to address, our membership will be adversely affected by the wider scope of the bill's language as it applies to open-end credit. Please understand that we take no exception to the provisions as they apply to credit card practices and applaud the bill's efforts to rein in predatory credit card practices.

From the open-end credit perspective, the 21 day rule will place a tremendous burden on our credit union as we struggle to comply with the requirements. Our data processing system is not set up to provide the required notices nor does it appear that the system even has the capability. Because we have members who possess multiple loans with multiple due dates, the data processing system would need to have the capability to continually process and send notices to loan holders. That is certainly not possible at this time. One alternative for our credit union would be to require our members to switch from bi-weekly or weekly payments to monthly payments which would result in raised loan interest costs for our members. This perverse effect would then become anti-consumer and certainly not fulfill the intent of the legislation.

Preserving the usage of open-end lending has benefitted a significant number of our membership over the years and we recognize that the loss of this convenience would result in an unhappy membership. Educators Credit Union is hopeful this does not occur, but if it does, we will work diligently to educate our membership on why it has happened. This system has worked exceedingly well for over 30 years and it seems a shame for our credit union and our membership to be punished due to the irresponsible actions of others. Let me reiterate that our credit union has NEVER engaged in any of the practices this bill was designed to stop, yet ECU and our membership are suffering the consequences!

In conclusion, Educators Credit Union is asking that you consider the original intent of the legislation - the need to eliminate predatory credit card practices. At a minimum, please consider delaying implementation of the new interim final rule for several months so that the complex issues revolving around this requirement can be sorted out by credit unions, data processors, and credit union members. We all need time to comply and the current deadline is simply not reasonable.

Sincerely,

Joe Hutyra  
Educators Credit Union