

From: First Community Credit Union of Houston, Ron Downing  
Subject: Reg Z - Truth in Lending

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Comments:

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

To the Honorable Board of Governors:

I am Ron Downing, President/CEO of First Community Credit Union of Houston. First Community is a full-service community credit union, which has been in operation since 1954. We have approximately 75,000 members, 250 full-time employees and \$750 million in assets. Credit Unions 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 Unions who mail quarterly statements on all their loans and monthly statements on share draft accounts or any account that are affected by an electronic transfer. Many operate with a small staff; the burden of adding monthly statements for all open-end loans would be tremendous. There will be additional costs from extra staff, statement paper, envelopes, toner and postage to name a few.

Nationwide, Credit Union membership has come to expect the convenience that Open-End lending provides. There are several members who add to their Open-End Personal loans monthly to enable them to pay necessary bills until they receive their next paycheck. If Credit Unions are forced to change to Closed-End lending due to the passage of this bill, which negatively effects multi-featured open-end lending, this could drive our members to predatory pay-day lenders who charge an astronomical interest rate. Credit Unions 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 the 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,

Ron Downing  
First Community Credit Union of Houston