

From: Dover Federal Credit Union, David Clendaniel
Subject: Reg Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth in Lending
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Comments:

Jennifer J. Johnson,
Secretary Board of Governors of
the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: Regulation Z; Docket No. R-1364 Dear

Ms. Johnson:

Thank you for the opportunity to offer my comments on the above mentioned proposed regulation. I applaud Congress and the Federal Reserve for the provisions of this legislation that will curb the current abuses that consumers with credit cards are experiencing today and for the last several years. Dover Federal Credit Union's credit card programs have always complied with the requirements that go into effect August 20th. Additionally, we will only need to make a few minor tweaks for the components effective February 2010. However, I must take exception to applying the required 21-day notice to all open end credit. While this provision is needed and certainly welcomed for credit card accounts, it is harmful to consumers when it comes to other types of open end credit. Many of our members choose to have weekly, bi-weekly or semi-monthly payments on their open end loans with Dover Federal Credit Union.

Doing so enables them to manage their budget better, and reduce the amount of interest they accrue by reducing the principal with faster frequencies. To date we at Dover Federal have been unable to determine how we can provide the 21-day notice to members with these short payment cycles. We will be forced to change their payments to a monthly frequency, and since we issue combined deposit and loan statements monthly, amend their due date to the end of the month in order to comply with the Revised Regulation Z. This is not member (consumer) friendly, cost effective for the member, or cost effective for the credit union (which will ultimately cost the members once again). I respectfully request the Federal Reserve seek guidance from Congress and only apply the changes to credit cards as the name of the act implies.

Sincerely,

David W. Clendaniel
Dover Federal Credit Union