

From: Arkansas Education Association Federal Credit Union, Loretta Harris
Subject: Reg Z - Truth in Lending

Comments:

We will probably need to send monthly statements instead of quarterly statements to our members to comply with the new rules, even though we do not now charge a late fee. This will triple our annual cost for statement mailing. This will be a real hardship for AEA Federal Credit Union.

We are unclear on how to change the due dates on our loans to comply with the 21 day rule. Most of our loans are set-up with semi-monthly payments based on pay dates of various school districts in the state. We do this to accommodate the needs of our members who are almost all working people such as teachers, bus drivers, janitors and office personnel in different school districts.

We expect our loan volume will drop if we are unable to meet the needs of our members. The solutions we have seen from our data processor are not good solutions for this credit union.

Our loan payments are set-up to accommodate our members. It's one of the things our members comment on the most. The reason they love the Credit Union is payments work with their payrolls and makes it easier for them to afford their loan payments. We are also concerned about credit bureau reporting, if the 21 day requirement is not met. We now report to two credit bureaus and our members want us to do this. If we cannot report the non-compliant ones then we would have no way of reporting members who are compliant.

We are concerned about the labor, data processing and the statement mailing cost. We are small but we serve a group of people who value the services we offer.

Loretta Harris
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