

From: Tuscaloosa Credit Union, Tommy Cobb
Subject: Reg Z - Truth in Lending

Comments:

Please accept this as a comment against the Credit Card Act of 2009.

First, as I understand from the title, the purpose of the regulation is to reduce credit card abuse. While my credit union does lend on the open end system, our borrowers have not had any of the problems the Act attempts to cure. This includes rate increases because of late payments, excessive late charges or other fees.

Second, the credit union chose open end lending because of the benefit it provides to the member in the form of speed, convenience and low cost. Most of our members are working class and don't have time to come by the credit union when they have a loan need. Half of our loan request come in form of phone calls or e-mails with the credit union depositing the loan proceeds into the member's checking account. The cost associated in complying with the proposed act will force the credit union to convert to closed end lending. This will make borrowing more difficult for member and slow any recovery efforts Congress would desire.

Third, being forced to mail statements 21 days before payment is due will force the credit union to no longer permit weekly or bi-weekly loan due dates. Many of our lower income members prefer this since the option of multiple due dates within a month places less stress on any one payday. This leaves disposable income for food and fuel. Also, the cost associated with having to mail monthly statements will place a burden the credit union. The credit union hasn't mailed monthly loan statements in our 58 year history and our delinquency ratio is less than 2%.

I appreciate the good you are trying to accomplish by this Act. But please do not penalize the one group of financial institutions that are trying to do business the right way.credit unions.

Tommy Cobb
Tuscaloosa Credit Union