

From: Great River FCU, Deb Hofmann  
Subject: Reg Z - Truth in Lending

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Comments:

August 7, 2009

The Honorable Ben S. Bernanke  
Chairman  
Board of Governors of the Federal Reserve Board  
20th and C Streets, NW  
Washington, DC 20551

Re: Interim Final Rule Implementing the Credit Card Accountability  
Responsibility and Disclosure Act

Dear Chairman Bernanke:

The requirements of Credit Card Accountability and Disclosure Act of 2009, particularly the 21-day periodic statement requirements as they apply to open end credit other than credit cards, cause ominous operational issues, great expense, and most importantly crucial repercussions to the members of credit unions. In complying with the changes the law requires we will in fact cause more harm than good to our members. And is it not the premise of the new law to protect consumers against practices that cause adverse outcomes in their credit situations?

Credit unions have always considered members' financial well being the foundation of the philosophy, the policies and the procedures we follow. Credit unions completely understand and agree with the need to protect consumers, and do agree with the 21 day provision for credit card accounts. However, the ramifications of extending this requirement to all open end lending plans does pose tremendous difficulties for credit unions and credit union members. And, again, is it not the premise of the new law to protect consumers against practices that cause adverse outcomes in their credit situations?

Our members prefer monthly statements that include information about all savings, checking, and loan accounts, and do not want us to provide multiple statements throughout the month. Also, the ability to designate loan payment dates that fit into their monthly budget is something they request and have come to expect. The current method used in sending periodic statements for accounts other than credit card accounts does not in any way cause adverse implications, increased costs or interest rates, or any misunderstandings for our members. Complying with the 21 day provision for open end plans other than credit card accounts will cause many adverse outcomes for credit union members.

Our members will be confused, irate, and inconvenienced if we change payment due dates that are not of their choice and do not fit into their personal monthly budget. In addition, changing the payment due date for all loans to the same date would result in all collections functions concentrated in the same time period as opposed to throughout the month. The costs of extra postage, changes with our data processor, and changes with our statement vendor will be quite expensive and ultimately that cost will have to be passed to the members. This will all have an adverse effect on our members.

GreatRiverFederal Credit Union is asking the Federal Reserve Board to allow credit unions to continue to serve members in regard to monthly statements for open end lending plans as we have. It is a system that works, does not take advantage of our members financially, or promote any type of activity that is not in their best interest.

Your consideration and attention to this matter is greatly appreciated.

Sincerely,

Deb Hofmann  
Great River FCU, St. Cloud MN