

From: Texas Federal Credit Union, Sandy Smith
Subject: Reg Z - Truth in Lending

Comments:

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

To the Honorable Board of Governors:

My name is Sandra M. Smith and I am the President/CEO of Texas Federal Credit Union (TFCU), a Dallas based credit union that is \$64 million in assets that serves approximately 13,000 members.

TFCU will gladly comply with the 2009 Credit Card Accountability, Responsibility, and Disclosure Act as it relates to credit cards. TFCU does not engage in any of the practices this law is designed to cure, and agrees that all financial institutions should be responsible lenders and held accountable for unscrupulous business practices.

TFCU, however, does take exception with the compliance date as it relates to all open-end loans for several reasons. First, TFCU provides members with a consolidated statement and our current data processor is not even able to write a new program by the August 20th compliance date. It is estimated that a new program could cost our credit union an additional \$1,500 per month. In a year that we have had to control expenses in order to avoid staff layoffs, this additional expense could mean having to choose between a staff person's salary or our credit union's ability to comply with the new regulation.

Also, we face the difficult choice of retaining our consolidated statements and resetting all payment due dates to end-of-month, or mailing loan statements almost daily to satisfy the due dates that fall throughout the month which would be a cost that our members will ultimately have to bear.

In addition, this regulation unfairly penalizes our members who have chosen to make bi-weekly loan payments. Our members currently have the ability to set loan due dates that best suits their cash flow schedules. In many instances, our members who are paid bi-weekly by their employers have also chosen to make bi-weekly loan payments as payroll deductions through their human resources departments. How can TFCU send a 21-day notice mailing program to members who make bi-weekly payments? If our members are required to change from bi-weekly payments to monthly payments, this could cause undue financial hardship on households that have a majority of their bills due at one time of the month when they get paid bi-weekly instead of monthly. Our time-proven open-end loan program is consumer-friendly and efficient. It is improperly included in a law designed to curb lending abuses.

I am asking the Federal Reserve Board of Governors to allow financial institutions several months to implement the interim final rule. We are simply asking for the time to sort out these complex issues and properly prepare the members for any change that may be necessary on their part in order for the credit union to achieve compliance. The August 20th deadline is simply unreasonable. I thank you in advance for your thoughtful consideration of extending the compliance due date.

Sincerely,

Sandra M. Smith
Texas Federal Credit Union