

From: Houston Police Federal Credit Union, Becky Ritter
Subject: Reg Z - Truth in Lending

Comments:

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

Re: Credit Card Act and Open-Ended Lending

Dear Sir,

I work for Houston Police Federal Credit Union as a Vice President of Member Services. Our credit union has 25,500 members who are police officers and their families.

I am in full support that action was needed to protect consumers from scrupulous lenders. Credit Unions have always looked out for the best interest of their members. Our credit union has always been in compliance with all regulations and in most instances prior to any regulations. It is well known this act was intended to regulate the procedures and practices of credit cards. It makes no sense to also include open end lending.

Credit Unions have provided open end lending to its members for years. By including open end lending has put an undo hardship on the credit union industry and it's members. Open end lending offers it's member to simply call in their loan request and the credit union can immediately fund the loan. The time restraints to comply on notification of payments due dates is virtually impossible for credit union to comply. The majority of credit union members have set up payroll deduction to pay their loans. For the member convenience we set up their payments for bi-weekly, bi-monthly or even weekly to coincide with their payroll deposits. The twenty-one day advance notice is not possible when a payment is due in 14 days or even 7 days. If the credit union has to change all of the member's due dates to monthly payments, the members will still be able to have payrolls come to the credit union and then be distributed to their loan payment once of month. Most members would become confused and withdraw out the funds from their account before the loan payments are processed. In turn the member will become delinquent and this will affect their credit score. The lower a person's credit scores the higher interest rates the individual will be expected to pay on future loans.

I sincerely hope that you will reconsideration the impact this act has on credit unions and it's members and withdraw open end lending requirements from the Credit Card Act.

Becky Ritter
Houston Police Federal Credit Union