

From: Heartland Credit Union, Lori Ernst
Subject: Reg Z - Truth in Lending

Comments:

RE: Doc. No. R-1364

I have been asked to respond on behalf of Heartland Credit Union to the recent regulatory changes required by The Credit Card Act of 2009.

As with most credit union lenders, Heartland Credit Union strongly supports the consumer protection provided by the act for credit card borrowers. Unfortunately, the new regulation fails to exempt other types of loans such as consumer overdraft lines of credit, home equity lines of credit, and multi-featured open-end lending programs widely used by credit unions for auto and personal loans.

The 21-day rule for notification has far-reaching implications. By applying the rule universally, the regulation forces borrowers to incur higher pricing due to increased costs associated with notification, eliminates the ability to choose convenient payment schedules, and may ultimately cause credit scores to decline when lenders opt not to report payment history in an attempt to comply.

Heartland Credit Union is currently evaluating the options available. Currently, the options offered by the software vendors and statement providers are both limited and costly to implement. Compliance by the August 20th deadline is virtually impossible.

Please consider modifying the legislation or extending the compliance date in order for Heartland Credit Union to better serve its members.

Thank you.

Lori Ernst
Heartland Credit Union