

From: Register-Guard Federal Credit Union, Carolyn J Smith  
Subject: Reg Z - Truth in Lending

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Comments:

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Proposal: Regulation Z - Truth in Lending  
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The Credit Card Act 2009 was great legislation as it provided very necessary changes that created more consumer friendly practices for all creditors/lenders offering credit card programs. Unfortunately, when the final bill arrived, language was added that now has taken a well crafted consumer friendly bill and created a unfriendly consumer bill for those creditors/lenders offering open-end lending and the convenience of consumer choice for credit union members. Many have shared about the cost of trying to meet the compliance requirements but I would share the member/consumer choice aspect. With open-end lending, members have the convenience of requesting loans as funds are needed for various life events - purchasing or repairing a vehicle, planning for a wedding, vacation, or special event, borrowing to pay medical bills or helping family members, moving, starting new jobs, purchasing books for school or paying college tuition, establishing a Home Equity Line of Credit for home improvements, college, retirement, etc. As a \$17.6 million single sponsor credit union, we serve the employees and their families and the carriers of the local newspaper. With 2,100 members, one of the best member benefits, is our member's ability to select the due dates and how they pay on their loans to meet their monthly budget. This has been a member friendly practice for over 50 years. They can chose weekly, bi-weekly, bi-monthly or monthly payments and set due dates for any day of the week. Because employers may change payroll dates or methods, this convenience has allowed us to adapt and change loan repayment due dates to match our members changing life circumstances. Members are not stuck being dictated too as to when and how they make thier payments - they choose! We have always allowed members to tell us when they wanted their due date. Plus, many years ago members said STOP sending us a statement for every account or loan I have, send me one statement quartelry or monthly - thus consoldiated statements were born - out of member/consumer demand. Now, the 21-day notice will require that member due dates stay within a certain range so that when their regular statement is mailed, it will meet the compliance window.

My members do not like the fact that their choice is now taken away. To

my members, due date and when their payments transfer are the same, so merely changing a due date to give them a 21-day window doesn't make sense. This additional language has already taken significant resources from our credit union just to review our alternatives and staff time to try and find a member friendly solution - nothing of which has been found. I encourage the FRB to review the last minute addition of this language. I encourage members of the FRB to go to their local credit union who is doing open-end lending and take a look at the real-time impact this bill's language is having. It think you will agree that this addition is in no way member/consumer friendly. Thank you for your time.

Carolyn J. Smith,  
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