



WEST VIRGINIA CENTRAL CREDIT UNION

Wherever You're Going, We're There!

August 11, 2009

I am writing in reference to the Credit Card Act of 2009. I commend Congress and the Federal Reserve for the intent of this legislation. Consumers need to have additional information and protection against misleading credit card practices. The problem is that this Act goes far beyond what it intended to do.

Many credit unions such as ours use a multi-feature open end loan document program for signature, auto and other types of loans with our members. This product is used to provide ease of access for our members when they need to borrow money. An example of how we use this product is that a primary borrowing document is signed by the member and all future loans are tied to that document. The members can then walk into our office or call a staff member and obtain additional credit with only a minor update of information.

If a member takes out a 60 month auto loan, for example, their payments will be based on the desired term and can be paid monthly (12), weekly (52), bi-weekly (26) or semi-monthly (24). The member decides what best meets their situation. Many members decide to pay more often than monthly in order to reduce their interest cost. Our understanding of the Credit Card Act requires a 21 day notice of an upcoming payment due date. We are completely frustrated on how we can provide this notification to members that pay for example on a weekly basis. Even if we could determine how to program our systems to make this happen and could absorb the cost to do so, our main question is where the value to our member resides. The member knows their rate (fixed) and know their payment amount and payment due dates. This notification only discloses to the members information that is already completely disclosed and understood.

Currently 63% of our borrowers pay on a monthly basis and 37% (1,931 loans) pay weekly, bi-weekly or semi-monthly. Many of these borrowers currently receive a statement on a quarterly basis. Our current number of borrowers total 3,695. 2,251 are receiving monthly statements that include loan information because they have a share draft (checking) account or some sort of ACH. A monthly statement to all borrowers would require an additional 1,444 statements to be produced and mailed. We estimate an increased annual cost of at least \$7,000.00. This potential expense provides no value to our members and the additional statements provide no worthwhile transparency.

We request an extension of the August 20th due date for the 21 day notice to provide time to determine how to comply. It will also provide needed time to appeal to Congress to correct what can only be considered an error and unintended. Thank you for your prompt consideration.

Sincerely,
Michael A. Tucker
President / CEO

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