



August 12, 2009

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

I am writing, as a concerned board member, on behalf of:

Energy Capital Credit Union ("ECCU")
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Houston, Texas 77065
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Subject: Credit Card Reform H.R. 627/S.414 – the CARD Act

ECCU has over 16,000 members and more than 24,000 clients, with seven business locations. Of these, 1,736 clients utilize open-end consumer credit. To comply with the recently finalized Regulation Z and Unfair and Deceptive Practices Act rules, ECCU must work with adverse issues concerning with the 21-day rule. Under these regulations that were added at the last minute in the development of the act, serious problems are resulting regarding compliance. Including requirements to develop special programming to comply with the 21 day rule as well as modifications of due dates on existing loans to allow regulatory statement processing. In addition this will create a cost burden to an already financially impacted industry.

Preserving the current operations of open-ended lending actually benefits ECCU's membership. Our membership will not benefit from this mandated change. This interim rule will ultimately have a negative impact not just on ECCU's business operations, but also on our members and clients.

It is believed that the rule may have the negative affect of being anti-consumer. This is illustrated in the cases of a member delaying monthly payments which, thus raises loan interest costs. Increased loan interest costs, in effect, illustrate the reverse of the intent of the "pro-consumer" legislation.

ECCU does not engage in any of the predatory credit card practices this bill was designed to address, yet ECCU is being unfairly asked to change a lending system that has worked exceedingly well for our members over the years due to the irresponsible actions of others. Why unfairly punish and burden responsible lenders?

In conclusion, we ask that the Board, at a minimum, delay implementation of the new interim final rule for several months so that these complex issues can be sorted out by credit unions, data processors, and the members. Time is needed in order to comply and this deadline is simply unreasonable.

Sincerely,


Charles C. Smith
Board Member
Energy Capital Credit Union

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