



August 12, 2009

Jennifer J. Johnson, Secretary,
Board of Governors of the Federal Reserve System,
20th Street and Constitution Avenue, NW.,
Washington, DC 20551

RE: Regulation Z; Docket No. R-1364 (Credit Card Act) Interim final rule; request for public comment.

Dear Secretary Johnson,

I work for a small Credit Union in Missouri and would like to share with you the obstacles that have been tossed our way as a result of the above referenced legislation. These obstacles will adversely affect our ability to provide the legendary service that we offer to our member/owners.

We opted to use Open End Lending for the convenience to our member/owners. It allows us to make advances on their loans without them having to go through the hoops of completing all new paperwork. We use this method of lending on personal loans, auto loans, and several other types of collateralized loans. Once the member/owner makes several payments and has freed some equity in the collateral, it is not unusual for them to want to take an advance against that equity. With Closed End Lending, it would require all new paper work to be completed as well as new title work if the collateral is titled. Open End Lending allows us to do this advance with much less paperwork and hassle for the member/owner.

The 21 day payment notice requirement forces us to make decisions that are not in the best interest of our member/owners. The most cost effective way for us to continue to offer this type of lending is to force the member/owner to have a due date late in the month so we can meet the 21 day requirement of the legislation, as we send statements only once a month. Due dates at the end of the month may not fit into the tight budget of many member/owners.

The Open End Lending 21 day statement requirements of this legislation will cause extensive reprogramming to comply. As a small Credit Union, we do not make these changes in our own shop; we must rely on our data processor to make the changes. Having this out of our control places a tremendous limit in our ability to get it completed within the time frame allowed by the Act. We are simply at the mercy of the data processor.

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I agree that there are some very consumer friendly parts of this legislation and feel there certainly is a need to rein in some of the “bad guys”, but feel that Credit Unions got swept up with the dirt. We run a Credit Union that follows the original philosophy of Credit Unions: People helping People. Just because other institutions choose to exploit the loop holes in Open End Lending, we are now forced into making decisions based on trying to comply by a certain date and what costs the least, rather than how we can help our member/ owners.

Since the implementation was unusually short for this legislation, I ask that some concessions be made to allow more time to work out some other choices. Choices that will make this easier to work into the budgets of our member/owners and to find a more cost effective manner in which to disclose the payment dates, because ultimately, those costs will be passed on to them.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Loftus', with a long horizontal line extending to the right.

Tom Loftus
Vice President and COO
Missouri Central Credit Union
Lee's Summit MO