

From: ASE Credit Union, Melanie Math
Subject: Reg Z - Truth in Lending

Comments:

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

RE: Docket Number R-1366

Dear Ms. Johnson:

The following is our comment in response to the new Credit Card and Open End Lending Regulations. The new rule, as it is now written will require our credit union to completely change the way it offers credit to our members. The August 20, 2009 compliance due date is an enormous burden operationally. Our credit union is now faced with having to make a hasty decision to convert or not to convert to "closed-end" lending.

Converting to "closed-end" lending may be our only recourse to guarantee compliance and reduce the considerable expense associated with producing and mailing periodic statements. We anticipate our members will experience a significant amount of confusion and great inconvenience should we be forced to change everyone's due date to the same day or if we choose to discontinue offering Open-end lending.

Ideally, at a minimum we will need 3 to 6 months to comply with the new 21 day requirement when it comes to our consumer lending portfolio. This is assuming our data processing servers can support our requests.

In addition, further clarification is needed for the additional changes to follow in February, 2010 and August, 2010. For instance, if we continue to offer our members open-end lending, what is the purpose of providing a "Closed-end" disclosure in addition to the Open-end disclosures?

This credit union respects the need for regulation and welcomes the opportunity to enforce sound practices and fair lending for all borrowers. However, we are deeply concerned that this particular regulation will only serve to cause confusion, undo limitations, and added expenses that we are given no choice but to pass on to our members.

Respectfully,

Melanie Math
ASE Credit Union