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August 7, 2009

Board of Governors  
Federal Reserve  
20 F & C Streets Northwest  
Washington, DC 20551

Dear Sirs,

I am writing you on behalf of Visions Federal Credit Union in regard to the new interim rule implementing the Credit Card Accountability, Responsibility and Disclosure Act of 2009. Specifically I am requesting that the Board either allow compliance of the 21 day notice provision for open-end loans by placing future due dates on members consolidated statements or exempt the credit unions from this provision which is to commence August 20, 2009.

Conceptually protecting consumers against unscrupulous credit card companies who would escalate consumer interest rates to exorbitant amounts through the guise of not giving consumers adequate notice is supported by this credit union. We also support other provisions of the Act which provides important protection for consumers, however the Credit Card Accountability, Responsibility and Disclosure Act also mandates compliance with a 21 day notice provision for all open-end loans. This provision becomes problematic for this credit union as well as others who offer open-end lending. We offer our members the flexibility of having their payment due dates throughout the month. In addition this credit union offers weekly and semi-monthly payment options. Many of our members desire these payment options to coincide with their payroll and because this credit union utilizes simple interest computation, our members pay less interest over the term of the loan by choosing a payment option more frequent than monthly. An acceptable option to the 21 day rule would be to provide credit unions the ability to put future due dates on statements or exempt the credit unions completely from this provision. Credit Unions could continue to offer multiple payment options and due dates by placing on each member's monthly statement the dates on which all covered payments are due in the current month and the subsequent month. If the credit union is not permitted to put future due dates on statements or is not exempted from the provision, the only recourse would be to suspend weekly and semi-monthly payment options as it would be impossible to comply providing a statement 21 days prior to the payment due date.



Potentially, the consolidate statement process now being utilized would be abolished and it would be necessary to provide separate statements for each loan account. This resolution would be extremely expensive and confusing to our members who have been receiving consolidated statement for decades. Unfortunately, this expense would ultimately be passed on to our membership in the form of lower dividend rates and higher loan rates.

Another alternative would be to move all our members payment due dates to a period of the month that would satisfy the 21 day provision. Unfortunately, the thousands of members who prefer their due dates during various times of the month would no longer enjoy this convenience and again a payment frequency more often than monthly would be eliminated. Consideration of exempting Credit Unions from this provision of the Act would be a viable alternative. This reasoning is due to the fact credit unions do not charge exorbitant interest rates; currently the interest rate cap for Federal Credit Unions is 18%. All borrowers are disclosed at the time of loan consummation their payment structure and payment due dates.

In light of the spirit of the Credit Card Accountability, Responsibility and Disclosure Act of 2009, it is very evident that the authors of this Act did not intend the provision to have such an adverse affect on credit union members that it certainly will have unless the Board allows credit unions exemption from the provision or allows future payment due dates to be placed on consolidated statements. It would be a shame and contrary to the spirit of the Act to have an intended pro-consumer regulation result in an adverse effect to hundreds of credit unions and thousands of their members.

We appreciate your attention to this matter.

Sincerely,



Edward J. Butler  
VP/CLO