



August 17, 2009

**Board of Governors of the Federal Reserve  
20<sup>th</sup> & C Streets NW  
Washington DC 20551**

**Re: Credit Card Accountability /Disclosure Act of 2008 (Card Act), amendment to REG Z (Truth-In-Lending)**

As you know, the recently passed “Credit Card Act” applies not only to credit cards but to all *open-end consumer credit plans*. The Interim Final Rule provision of requiring a 21-day notice before a payment due date will impose unnecessary burdens to our members and add additional cost on all Credit Unions that offer open-end lending.

MCT Credit Union has approximately 5000 open-end consumer loans with payment options of bi-weekly, semi-monthly or monthly. Most members choose bi-weekly or semi-monthly payments which are employee payroll deducted or automatic transfer from checking accounts. This ruling will force us to change payment frequencies to monthly which will increase their interest cost. See comparison chart:

<b><u>Example:</u> Loan \$20,000 --- 4 years @ 5.0%</b>			
<b><u>Bi-Weekly Payments</u></b>		<b><u>Monthly Payments</u></b>	
96 payments -----	\$228.30	48 payments -----	\$460.62
Total Interest	\$1,916.65	Total Interest	\$2,109.56
<b>Total interest savings \$192.91</b>			

This ruling requires a billing statement notice 21-days before every loan payment due date, which will force us to increase from 4 statements (quarterly) per year to 12. This quadruples our processing cost! We understand this Act was passed to stop the predatory credit card practices which we are NOT involved in.

If this Act is not amended to exclude open-end lending, then we request several months delay of the interim final rule date of Aug. 20, so that these issues can be sorted out with our processor and members. Your prompt attention and action to this request is appreciated.

<p><b><u>MCT Credit Union</u></b>  <b><u>Information:</u></b>  <b>Location:</b> Southeast Texas  <b>Members:</b> 19,000  <b>Asset Size:</b> \$176,000,000</p>
---

Sincerely,

Katrina Harper  
MCT Credit Union / Compliance Officer  
kharper@mctcu.org