

August 24, 2009

Attn: Board of Governors of the Federal Reserve Board

Regulatory Comment: **Credit Card Accountability and Disclosure Act of 2009 (CARD-Act)**

Dear Board of Governors:

This letter is written to express our concern and request your action to delay compliance with the 21-day notice that includes **ALL** open-ended credit plans other than credit cards due to the CARD-Act. We have three primary areas of concern as follows:

1. Our members currently have the flexibility to select the loan payment date that best fits their personal and family budget for personal loans, personal lines of credit, lines of credit associated with checking accounts, and home equity lines of credit. That will change as a result of the CARD-Act.
2. We are concerned with our ability to communicate the change in payment dates with our members in a timely and effective fashion to be within the August 20, 2009 compliance deadline. Our members will need to adjust their budgets and we will need time to provide the much needed support and guidance to answer their questions and concerns.
3. The successful resolution to these requirements is complex and will require significant manpower and expense to meet the August 20, 2009 compliance deadline.

While we agree with the required change to credit card payments to eliminate the card abuse that has been taking place, we strongly disagree that the rule includes general lines of credit, vehicle loans, personal lines of credit, home equity loans, home equity lines of credit and signature loans. Central Willamette is now faced with a huge problem that must have a solution in an extremely short period of time to change all of our open-ended loans to comply with the 21 day notice provision.

There will be significant costs to move all existing loan due dates toward the end of the month (after the 25th) especially if we have to do it manually. Members will be unhappy over these forced due date changes and will result in countless complaints and the potential loss of future business. Fielding questions and complaints will take up significant staff time not to mention the expense the management team has already incurred or will incur arriving at a solution.

Central Willamette, as well as many other credit unions, provides our members with a monthly consolidated statement. The Credit Union has approximately 5,400 loans that would require separate statements under the new rule. Compliance would require the design of new statements, programming fees from our statement processor, additional mailing costs, plus member and staff education. These system and procedure changes will cost the Credit Union \$4,000 per month over the course of the first year.

Another option to meet the August 20, 2009 compliance date if we are unable to make the programming changes necessary to change due dates, would be to change our late fee policy and

move it from 11 days to 30 days. This change would affect all of our members in the form of decreased Credit Union revenue. That ultimately means lower savings rates and higher loan rates for everyone. Through June of this year we have collected \$100,245 in late fees. Of that 55% came from the 11 through 29 days late. By moving to 30 days we would forego \$55,135 over the six month period (\$110,270 annualized) or \$9,189 per month.

We respectfully request the Board of Governors of the Federal Reserve Board allow us more time for compliance with the 21 day provision. In addition, we would like to request the ability to provide our members with consolidated statements which would list loan payment due dates for the current month and the next month. We feel this would ensure our members receive at least a 21-day notice for all open-end payments which is the best way to preserve the consolidated statement method we have used for years that our members appreciate. This may be the best (least costly and most effective) option to achieving compliance. We know that there will be some programming costs for this change and we will need additional time for implementation, but the option would provide a benefit to our members and avoid significant long-term costs to our membership as a whole.

Thank you for taking the time to understand the dilemma we face with the changes required to comply with this new rule and your willingness to consider measures to assist Central Willamette and all credit union members.

Respectfully Submitted,



Elaine Eastman
President/CEO
Central WillametteCommunity Credit Union