

## State Employees Credit Union



**To:** Federal Reserve  
**From:** Misty Black, Compliance  
**Date:** August 25, 2009  
**Re:** Docket R-1366/"The CARD Act"

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Thank you for taking the time to review my concerns in relation to the "Card Act". While the new rules were designed to protect consumers from abusive practices, a certain element of the regulation has caused problems for consumers and financial institutions (particularly credit unions) namely "the 21-day provision":

- Members are given less flexibility in scheduling their payments.
- Lenders will have to increase rates to offset new processing costs.
- Members will be inconvenienced in having to deal with the closed-end lending process that many credit unions will be forced to enact.

One of the greatest operational hurdles that this legislation presents is the requirement of providing periodic statements at least 21 days before the due date. The regulation's original intent was to apply to credit cards-not ALL open-end loan products. With credit cards, the due dates as well as statement dates can be easily manipulated; however, other open-end loan products are not able to be modified as easily based upon the current lending environment (convenient open-end lending) and systematically (statement cycles for biweekly/semimonthly payments) for most credit unions.

My core processor is struggling with this requirement and the short time-line that was presented. SECU, along with our processor, are doing everything reasonable to fully support this mandate as our overall compliance is heavily dependent on our data processors to provide options to comply with the 21-day rule for ALL open-end loans.

Please provide clarification that the 21-day rule applies to credit cards only as State Employees Credit Union does not want our membership impacted negatively by the current wording of the Act that was originally drafted in order to help consumers—the same consumers credit unions already serve and protect from predatory lending.