



November 20, 2009

**VIA E-MAIL**

Ms. Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW.  
Washington, DC 20551  
[regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)  
Docket No. R-1370

**RE:** Proposed Rule to amend Regulation Z, Docket No. R-1370

Dear Ms. Johnson:

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 300 state and nationally chartered banks, savings and loan associations and savings banks located in communities throughout the state. WBA appreciates the opportunity to comment on the Board of Governors of the Federal Reserve System's (FRB) proposed rule to amend Regulation Z in connection with certain provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit Card Act or Act) that are effective, as mandated by the Act, on February 22, 2010. Given the very short period of time between this date and the end of the comment period, WBA will keep its comments particularly brief and succinct.

**WBA Strongly Urges FRB to Exclude From the Definition of "Credit Card Account Under An Open-End (Not Home-Secured) Consumer Credit Plan" Home Equity Lines of Credit Accessed by a Credit Card and Overdraft Lines of Credit Accessed by a Debit Card.**

WBA fully supports and commends FRB in proposing to exclude from the definition of "credit card account under an open-end (not home-secured) consumer credit plan" home equity lines of credit subject to Section 226.5b that are accessed by a credit card and overdraft lines of credit that are accessed by a debit card.

While the current definition of "credit card" under Section 226.2(a)(15) includes debit cards that access a line of credit, WBA applauds FRB for recognizing that home equity lines accessed by a credit card and overdraft lines of credit accessed by debit cards are products that have unique features and protections which differ from traditional credit cards. In addition, unlike traditional credit cards, these products are not promoted as, or

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used for, long-term extensions of credit. As such, WBA believes it is appropriate for FRB to exclude these products from provisions Congress intended to apply only to traditional credit cards.

**FRB Should Conform This Rulemaking to the Credit CARD Technical Corrections Act of 2009 by Limiting the Application of the 21-Day Timeframe for Mailing Periodic Statements to “Credit Card Accounts Under Open-End (Not Home-Secured) Consumer Credit Plans”.**

Currently Section 226.5(b)(2)(ii) prohibits a creditor from treating a payment on an open-end consumer credit plan as late for any purpose, unless the creditor has adopted reasonable procedures designed to ensure that each periodic statement is mailed or delivered to the consumer not later than 21 days before the payment due date and the date on which any grace period expires. The current rule implements amendments made by the Credit Card Act to Section 163 of the Truth in Lending Act.

Subsequent to this current rulemaking, President Obama signed the Credit CARD Technical Corrections Act of 2009 (CCTCA). The CCTCA carries out Congress’ intent to limit the applicability of Section 163 of the Truth in Lending Act to “credit card accounts under an open-end consumer plan”. WBA recognizes that FRB did not have an opportunity to incorporate the requirements of the CCTCA in this rulemaking due to the timing of the CCTCA; however, the CCTCA was effective upon the President’s signature. Therefore, WBA adamantly believes that this rulemaking must incorporate the CCTCA to carry out Congress’ intent, and to eliminate inconsistency between the CCTCA and its implementing regulation.

For these reasons, WBA urges FRB to adopt in this rulemaking an amendment to Section 226.5(b)(2)(ii) which limits the applicability of this section to a “credit card account under an open-end (not home-secured) consumer credit plan” pursuant to the definition of that term, as discussed above.

**WBA Strongly Urges FRB to Refrain From Changing Effective Dates for Provisions Contained in FRB’s January 2009 Final Rule Except Where the Credit Card Act Requires Otherwise or Where Doing So Reduces Compliance Burdens on Financial Institutions without Adversely Affecting Consumers.**

WBA is aware that in this rulemaking FRB is considering accelerating the effective date from July 2010 to February 22, 2010 for some of the provisions contained in FRB’s January 2009 final rule. WBA understands that some of the provisions contained in the January 2009 final rule are now codified in the Credit Card Act, and for that reason are required to be effective on February 22, 2010; however, many provisions of the January 2009 final rule are not subject to the February date. WBA is very concerned that acceleration of certain provisions, for instance, those that will require design changes to account-opening disclosures and periodic statements, will require significant time for development and integration with software. Accelerating the effective date for provisions

such as these will make it impossible for many institutions to comply with the requirements of the rule.

WBA also realizes that there are certain other provisions which, if made effective on February 22, 2010, would reduce compliance burdens on financial institutions and would not adversely affect consumers. These include adopting the definition of "credit card account under an open-end (not home-secured) consumer credit plan, as discussed above, as well as the CCTCA provisions that are likewise discussed above.

For the reasons noted above, WBA urges FRB to refrain from changing effective dates for provisions contained in the January 2009 final rule, unless required to do so by the Credit Card Act or where the result reduces compliance burdens on financial institutions without adversely affecting consumers.

**Conclusion**

WBA appreciates the time and effort FRB has devoted in this rulemaking, particularly given the short timeframe within which FRB has been required to work, and respectfully requests that FRB carefully consider the recommendations made today.

Once again, WBA appreciates the opportunity to comment on this important matter.

Sincerely,

Kristine Clevon  
Assistant Vice President-Legal