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December 21, 2009

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Ms. Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

Re: Regulation Z; Proposed Rule on Truth in Lending  
Federal Reserve System Regulation Z; Docket No. R-1370

Dear Ms. Johnson:

I am writing on behalf of Aon Integramark, a debt cancellation service provider for the lending industry. This letter is in response to the Proposed Rule implementing provisions of the Truth in Lending Act, including provisions added by the Credit CARD Act of 2009, published in the Federal Register on October 21, 2009 at 12 CFR Part 226. I understand that the comment period has closed, but I am asking that this letter be considered and I am respectfully requests the members of the Board of Governors of the Federal Reserve System consider adopting the suggestion set forth herein.

Our comments relate to the proposed revisions to Regulation Z implementing the CARD Act minimum payment periodic statement disclosure. Aon Integramark is requesting that a revision be made to Section 226.7(b)(12)(v) to provide for an exception from the minimum payment disclosure during a period of "debt suspension" when no payment is due, no interest is accruing and the account is closed to new transactions.

The CARD Act replaced Section 1637(b)(11) of the Truth in Lending Act with a new minimum payment disclosure requirement effective February 22, 2010. 15 U.S.C. § 1637(b)(11). Effective July 1, 2010, Section 226.7 of Regulation Z regarding periodic statement disclosures will provide that the creditor shall furnish the consumer with a periodic statement that discloses certain items, to the extent applicable, including a minimum payment disclosure. Section 226.7(b)(12)(v) lists exceptions to the minimum payment disclosure, including (i) a billing cycle immediately following two consecutive billing cycles in which the consumer paid the entire balance in full, had a zero outstanding balance or had a credit balance; and (ii) A billing cycle where paying the minimum payment due for that billing cycle will pay

Ms. Jennifer J. Johnson  
December 21, 2009  
Page 2

DREHER TOMKIES SCHEIDERER LLP

the entire outstanding balance on the account for that billing cycle. The proposed amendments to Section 226.7(b)(12) implementing the CARD Act revise the form and content of the minimum payment disclosure consistent with the CARD Act. Section 226.7(b)(12)(v) in the proposal contains similar exceptions to the minimum payment regulation effective July 1, 2010.

The items listed in Section 226.7 are required to be disclosed to the extent applicable. One could take the position that when no minimum payment is due, the minimum payment disclosure is not applicable and the disclosure requirement does not apply. The exceptions, however, refer to situations in which no minimum payment is due, for example accounts with a zero balance or a credit balance. This could be interpreted to indicate that the minimum payment disclosure is always required unless there is an express exception. Appendix M1, effective July 1, 2010 and in the proposed revisions, contains assumptions that creditors can rely upon in making a generic repayment calculation. The assumptions provide in part:

Assumptions. When calculating the minimum payment repayment estimate, a credit card issuer for each of the terms below, may either make the following assumption about that term, or use the account term that applies to a consumer's account.

Only minimum monthly payments are made each month. In addition, minimum monthly payments are made each month—for example, a debt cancellation or suspension agreement, or skip payment feature does not apply to the account.

Thus, the implication is that the minimum payment disclosure is required during the debt suspension period and can be calculated as if there were no debt suspension.

During a debt suspension period in which no payment is due and no interest is accruing, we believe that the minimum payment disclosure warning will cause consumer confusion. The consumer will have purchased debt suspension. Consistent with the debt suspension term, if a triggering event occurs, no payment will be required for a period of time and no interest will accrue during this period. Under the proposed regulations, however, the minimum payment disclosure appears to be required as there is no express exemption. Providing the minimum payment disclosure will lead to consumer confusion and require an explanation of why there is no payment due yet there is a minimum payment disclosure that ignores the debt suspension period. To avoid this confusion, Aon Integramark is requesting that an exemption be added to the list of express exemptions in Section 226.7(b)(12)(v) for “a billing cycle subject to a period of debt suspension during which no payment is due, no interest accrues and the account is closed to new transactions.” Such an exemption would be consistent with the purpose of the repayment disclosure intended to inform consumers of the consequences of making only the minimum payment, including the amount of additional interest that will be paid. During a period of debt suspension in which no payment is due and no interest accrues, there is no increased cost from not making a payment.

Aon Integramark and I appreciate the opportunity to comment on the proposal and the Board's consideration of this comment letter as part of the Board's revisions to Regulation Z to

Ms. Jennifer J. Johnson  
December 21, 2009  
Page 3

DREHER TOMKIES SCHEIDERER LLP

implement the CARD Act. Please do not hesitate to contact me if you have any questions or would like additional information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Elizabeth", written in a cursive style.

Elizabeth L. Anstaett

cc: Tom Ostenson, Esq.  
Darrell L. Dreher, Esq.