

From: Virginia Credit Union, Inc., Beverley F. Rutherford  
Subject: Reg Z - Truth in Lending - HELOCs

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Comments:

Thank you for the opportunity to comment on your proposed amendments to Regulation Z amending disclosure requirements for home equity lines of credit (HELOCs). I am responding on behalf of the largest state-chartered credit union located in Virginia.

In summary, we have the following comments:

- The FRB is proposing to adopt an "all-in" concept for finance charges for closed-end mortgage lending and is further considering changing the definition of finance charge to the "all-in" concept for HELOCs. For consistency purposes, we believe the definition of a finance charge should be the same without regard to whether the loan is open end or closed end. This reduces confusion and errors in ensuring that an accurate APR is provided to consumers, and leaves less to lender interpretation and possible Truth in Lending errors.
- We support the FRB not requiring for HELOCs full disclosure of late-payment penalties on periodic statements and the same-day crediting of payments provision as set forth in the Credit CARD Act.
- We also believe the advance notice requirement should be consistent with credit cards, with a 45 day advance notice requirement of changes in terms.
- With regards to the 15-year historical period example and the proposal to provide a table with the lowest and highest values of the index, we are not convinced that either the existing disclosures or the proposed disclosures are helpful. The market performance of any index over the previous 15 years may not be predictive of future changes.
- We support the FRB's proposal to prohibit certain account action unless the consumer has failed to make a required minimum periodic payment within 30 days of the due date.

We appreciate your consideration of our comments. Please feel free to contact me should you have any questions.

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