

From: Healthcare Services Credit Union, Susan Tant  
Subject: Reg Z - Truth in Lending

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Comments:

Topic: The New Credit Card Rule that encompasses all Open-End lending

This new regulation calls for ALL open-end credit products to receive a statement 21 days before the due date. I am not sure how my credit union can do this when the majority of our consumer loans are paid bi-weekly. That is every 14 days. There is no way to get a statement to them 21 days before the due date unless we mail a statement every two weeks or 26 times a year. The cost for postage alone to do this and stay in compliance is astronomical. Not to mention the processing costs. These cost would also have to be passed on to our members.

Another issue is the legal issue. Adjusting loan payments to monthly payments is a legal nightmare. We have a legal binding contract that says payments will be made on a bi-weekly basis. I can not double the bi-weekly payment because bi-weekly is 26 payments a year and bi-monthly is 24 payments a year. So the member's payment would have to change also. This will confuse and frustrate the members of my credit union and create a legal situation which would require all loans be rewritten. And require all of our members to adjust their net income to accommodate this increase in monthly payments. In this economic situation that would create a huge burden for our members. Paying a smaller payment from each paycheck has helped many members to keep their cars and avoid bankruptcy.

By the way, our policy is not to change credit card rates or adjust credit card limits due to late payments. We have never taken this position with our credit card program nor do we ever intend to do this.

I understand the purpose of this regulation and agree with it as it applies to credit cards but not all open-end lending which is quite different than credit cards. Also, credit unions are very different than banks. We operate differently and are a non-profit industry. We do not have to satisfy any stockholders since we have none. Our members are our share holders. And this regulation is creating a financial burden for them and for all credit unions across the nation.

Thank you for your time concerning this matter. I hope a viable solution can be reached for compliance with this regulation.

Susan M. Tant-CEO  
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