



Credit Union National Association

cuna.org

DANIEL A. MICA
PRESIDENT & CEO

601 Pennsylvania Ave., NW | South Building, Suite 600 | Washington, DC 20004-2601 | **PHONE:** 202-638-5777 | **FAX:** 202-638-7734

March 30, 2009

The Honorable Christopher Dodd
Chairman
Committee on Banking, Housing and Urban Development
United States Senate
Washington, DC 20510

Dear Chairman Dodd:

On behalf of the Credit Union National Association (CUNA), I am writing regarding S. 414, the Credit Card Accountability, Responsibility and Disclosure Act. CUNA represents nearly 90 percent of America's 8,000 state and federally chartered credit unions and their 92 million members.

CUNA recognizes that there are legitimate concerns about abusive credit card practices. We applaud efforts to end discriminatory, predatory, deceptive and abusive lending practices, noting that these efforts should be balanced to avoid unintended consequences which would ultimately be adverse to consumers, including making credit more expensive and less available for consumers.

Last year, the Federal Reserve Board of Governors (Federal Reserve), the Office of Thrift Supervision (OTS) and the National Credit Union Administration (NCUA) issued rules that restricted and prohibited a number of credit cards practices, pursuant to their authority under the Unfair and Deceptive Acts and Practices Act (UDAP) and the Federal Reserve issued separate rules under Regulation Z (Reg. Z).

S. 414 includes a number of provisions that are similar to, but different from, recent changes in the Reg. Z and UDAP as well as new requirements for credit card programs that are not included in the new rules. While credit unions and consumers endure the worse financial crisis since the Great Depression, now is not the time to add additional regulatory burdens on credit unions, the cost of which is ultimately borne by their member-owners.

Credit unions were generally supportive of the efforts by the Federal Reserve, OTS and NCUA to modify Reg. Z and UDAP rules. We are also generally supportive of legislation in the House, H.R. 627, which seeks to codify these rules. However, S. 414 goes beyond the scope of the new rules with which credit unions are adjusting their systems to comply.



PO Box 431 | Madison, WI 53701-0431 | 5710 Mineral Point Road | Madison, WI 53705-4454 | **PHONE:** 608-231-4000

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Credit unions are just beginning the long process of working with their forms suppliers, data processors, statement providers and training resources to ensure they will be in compliance with the new Reg. Z rules and UDAP requirements by their effective date of July 1, 2010. We encourage the Committee to give the new rules time to work before imposing additional burden on credit unions.

On behalf of America's credit unions, thank you very much for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Daniel A. Mica". The signature is written in black ink and is positioned above the printed name and title.

Daniel A. Mica
President & CEO