



Credit Union National Association

cuna.org

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PRESIDENT & CEO

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October 13, 2009

Members of Congress
United States House of Representatives
Washington, DC 20515

Dear Representatives:

On behalf of the Credit Union National Association (CUNA), I am writing to urge you to support H.R. 3606, the CARD Act Technical Corrections Act. CUNA is the nation's largest credit union advocacy organization, representing approximately 90% of America's 8,000 state and federal credit unions and their 92 million members.

Credit unions are currently reeling from an unintended consequence of the CARD Act. Section 106 of the CARD Act prohibits creditors from treating payments as being late unless the creditor adopts reasonable procedures to ensure that periodic statements are mailed or delivered to the consumer no later than 21 days before the payment due date. We believe this provision was intended to cover only credit card accounts; however, the provision, as enacted, applies to all open-end loans, including general lines of credit, lines of credit associated with share draft and checking accounts, signature loans, and home equity lines of credit (HELOCs) as well as multi-featured, open-end lending programs. H.R. 3606 would clarify that this provision only applies to credit card accounts.

As a result of this unintended consequence, credit unions are having to end the practice of sending members consolidated billing statements, change payment due dates for members who had previously chosen a due date based on their specific financial situation, and end bi-weekly payment plans. This is particularly problematic for HELOC loans because the due date of a HELOC is often a contractual term; this has added to the difficulty of complying with the new requirements.

To address these concerns, Representative Peter Welch has introduced legislation, H.R. 3606, the CARD Act Technical Corrections Act, which clarifies that this provision applies only to credit card accounts. We hope you will agree that a technical correction is appropriate and will support passage of H.R. 3606 when it is considered on the suspension calendar today.

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

Sincerely,

A handwritten signature in black ink that reads "Daniel A. Mica". The signature is fluid and cursive, written in a professional style.

Daniel A. Mica
President & CEO



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