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January 27, 2006

Mary Rupp
Secretary of the Board,
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: Comments on Part 707 Truth in Savings

Dear Ms. Rupp,

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on the National Credit Union Administration's proposal to amend its rule and official staff interpretation to address the uniformity and adequacy of information provided to members when they overdraw their accounts. GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 190 credit unions that have over 1.7 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

Background:

The Truth in Savings Act (TISA) requires financial institutions to disclose yields, fees, and other terms concerning deposit accounts to consumers at account opening, upon request, when changes in terms occur, and on periodic statements. There are also rules prohibiting advertisements that are misleading or inaccurate. The Federal Reserve Board's Regulation DD implements TISA, which includes official staff commentary that interprets the regulation and provides guidance in applying the regulation to specific transactions. Credit unions are covered under substantially similar rules that are issued by NCUA.

NCUA has issued an interim final rule amending the rules that implement TISA, which includes official staff interpretations that interpret the new requirements. These changes are intended to improve the uniformity and adequacy of information provided to members when they overdraft their accounts. They specifically address overdraft

privilege plans in which credit unions pay checks and allow other transactions when there are insufficient funds in the account.

In summary, the rule includes the following changes:

- Requires additional disclosures about fees and other terms for overdraft privilege programs, including disclosures in advertisements.
- Credit unions promoting the payment of overdrafts in advertisements will also be required to disclose on periodic statements the total dollar amount imposed for overdraft fees and the total imposed for returned-item fees, both for the statement period and for the year-to-date.
- Expands the current rule's prohibition against misleading advertisements for new accounts to now cover communications with current members about their existing accounts.

Summary of GCUL's Position:

Periodic Statements

For credit unions that promote the payment of overdrafts in advertisements, the rule will now require that they must separately disclose on their periodic statements the total amount of fees and charges imposed for paying overdrafts, as well as the total amount of fees charged for returning items unpaid. These totals must be provided for both the statement period and for the calendar year-to-date for any account in which the advertisement applies. Also, fees for paying overdrafts and fees for returning items unpaid may not be grouped together as fees for insufficient funds. In addition to the per item fee, the term "fees" also includes interest charges, any other periodic fee, and fees charged for maintaining an account in an overdraft status. This new requirement will not apply to credit unions that do not promote the payment of overdrafts and will not apply to credit unions that promote a service of transferring funds from another account in order to avoid an overdraft.

We support this change as it demonstrates a proactive approach to informing and educating members of the costs of overdrawing an account. However, because of the diverse methods utilized in marketing credit union products and services to members, we believe it is crucial that NCUA provide an exhaustive list of what does and does not constitute 'advertising' so that all credit unions have a clear understanding of when the requirements of this section are mandatory.

We also support the fact that these disclosure requirements will no longer apply to an account after at least two years have passed since the last advertisement was made that promoted this account.

Account-opening Disclosures

TISA requires the disclosure of any fee that may be imposed in connection with the account and the conditions in which it may be imposed. Under the final rule, credit

unions must now specify in their TISA account-opening disclosures the categories of transactions for which an overdraft fee may be imposed. This requirement will apply to all credit unions, not just those that promote the payment of overdrafts in an advertisement. We support this requirement.

Advertising Rules

Credit unions that promote the payment of overdrafts will be required to include several new disclosures in their advertisements about the service. Generally, we support this section of the proposal. However, we have the same concerns as those expressed in the Periodic Statement section above. An exhaustive list of what constitutes 'advertisements' and 'exceptions' would provide clearer guidance to credit unions and thus, eliminate potential confusion.

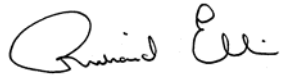
Prohibiting Misleading Advertisements

The rule will expand TISA's prohibition against advertisements, announcements, or solicitations for new accounts that are misleading or misrepresent the deposit contract to now include communications with current members about the terms of their existing accounts. We support this expansion, as we believe consumers should fully understand the intended use and benefits of this type of service.

Our primary reservation pertaining to these rule changes lies in the area of the compliance deadline. Due to the changes that will be required to core data processing systems and a potentially significant increase in expense, we would suggest that the effective required implementation date be moved from July 1, 2006 to January 1, 2007.

Thank you for the opportunity to comment on the proposed changes to NCUA's Part 707, Truth in Savings regulation. If you have questions about our comments, please contact Cynthia Connelly or me at (770) 476-9625.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard Ellis". The signature is written in a cursive style and is positioned to the left of a vertical red line.

Richard Ellis
Vice President/Credit Union Development
Georgia Credit Union League