

Jordan, Sheron Y

From: _Regulatory Comments
Sent: Thursday, July 31, 2008 8:12 AM
To: Jordan, Sheron Y
Subject: FW: comments to proposed regulations

From: David J. Wright [mailto:dwright@scfcu.net]
Sent: Wednesday, July 30, 2008 5:46 PM
To: _Regulatory Comments
Subject: comments to proposed regulations

The following are comments to the unfair and deceptive credit card practices proposed regulation.

The vast majority of what is being proposed is not a problem. Our Credit Union is not doing any of these things today and has no intention of ever doing so. But the problem with regulations like these is that they tend to assume you are guilty until you jump through every hoop to prove that you aren't guilty. It is all the jumping that makes me nervous. Disclosures on top of disclosures. It is important to understand that members do not read disclosures much less understand them.

I would also strongly urge NCUA if you do require disclosures to create safe havens when it comes to any disclosures. Otherwise we are at the mercy of some lawyer who just looks at us as deep pockets. Create a standard safe haven wording, that if used, will not allow us to be sued needlessly.

I also find the opt out and partial opt outs to be extremely confusing. Again members will not understand. I would suggest a more appropriate way to notify members of the potential problem would be a posting at the gas station or other retail delivery site that notified the members that a provisional charge may be made against their debit or credit card and that such charge may affect the future use of the card. There may be times that they are willing to have an overdraft charge and times that they don't. Opting in or out limits the options of the members. For example if they need gas and they don't have sufficient funds and they have opted out there is no leeway. They would not be able to get gas. Posting at the retail sites would give them the freedom to make the choice.

Finally I just want to reiterate that the proposed rule, for the most part, is fine. It is the implementation that concerns me.

David J. Wright

CEO
Services Center Federal Credit Union
Phone: 605-665-4309 (x125)
Fax: 605-665-4314
Email: dwright@scfcu.net
Web: www.scfcu.net

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