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SENT VIA E – Mail

August 1, 2008

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

Re: Comments on Proposed Rule 706

Dear Ms. Rupp and Members of the NCUA Board:

I am writing on behalf of the Board of Directors and management team of Visions Federal Credit Union which is headquartered in Endicott, New York and serves 120,000 members in southern New York and northern Pennsylvania.

As a member owned and Volunteer run cooperative, our organization heartily supports full disclosure of the fees and charges that are a necessary fact of a modern financial institution, directing the cost of providing services to those that use the service. We therefore heartily support most efforts by the FTC to protect consumers and our members from all unfair acts and practices.

Unfortunately, some of the details in the current proposal border on being over protective, and do not take into account the normal business process. This puts an undue burden on financial institutions, which may ultimately drive small and midsize banks and credit unions out of business (reducing competition), increase pricing, or both. Neither outcome will ultimately be a benefit to the consumer.

Credit Card Practices

The first proposal for credit card billing and payment posting changes would require us to backdate any payments received over a weekend or other non business day if it would be counted as "late". We believe this is not necessary, since the consumer has already received advance notice days ahead of when the payment is due. One or two day's difference should not alter a nation's payment system for someone who does not allow for a payment to be received in time. For example – you require that these comment letters are received by certain dates and if I wanted to mail one to you I would ensure that it was mailed in time, taking into account that the U.S. Postal Service does not deliver on Sunday.

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We do not have a major problem with standardizing how payments are applied to benefit a consumer in your second recommendation, albeit more complicated than allowing financial institutions to choose their own method and advise their customers.

We disagree with the third suggestion that when the risk changes on an account, that the rate must stay the same. We believe the consumer should be given choices of paying out or closing the account line at the current rate, but unless we are allowed to offer that choice, the consumer who is now a higher risk may face losing their line of credit entirely.

We have no problems with the other suggestions in this area.

Overdraft Services

We understand that not all financial institutions are as concerned with their member/customers as credit unions and have conservative overdraft programs like Visions, but the two proposals in this area would be difficult and expensive to program. Allowing a member to opt out every time the account may be covered is simply not practical when a check is processed (how long should the financial institution hold the check to hear back from a member?) or at every electronic transaction. The programming and system changes will be considerable, and many institutions will drop these programs, which when used properly benefit thousands of Americans over the alternative of returned mortgage or utility checks for small errors in their check balancing. Current rules allowing members to opt out entirely of an overdraft program are sufficient.

The second part of the rule makes the financial institution responsible for debit holds and not assessing overdraft fees. We do not have control over these holds, and again, we understand and agree with the purpose that an unnecessary charge should not be assessed in the rare circumstance that a charge never goes through or is run through twice, but again – the financial institutions are stuck with the costs of some complicated programming and who do you think will ultimately pay for these enhancements?

Thank you for the opportunity to comment on this proposed rule.

Sincerely,



Frank E. Berrish
President/CEO

cc: Mr. Fred Becker, President – NAFCU
Mr. Dan Mica, President - CUNA