



National Association
of Federal Credit Unions
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NAFCU | Your Direct Connection to Education, Advocacy & Advancement

March 13, 2015

Ms. Monica Jackson
Office of Executive Secretary
Consumer Financial Protection Bureau
1700 G Street NW
Washington, D.C. 20552

RE: Notice of Proposed Rulemaking and Request for Comment on the Temporary Suspension of the Submission of Credit Card Agreements under the Truth in Lending Act (Regulation Z) (RIN 3170-AA50)

Dear Ms. Jackson:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I write to you regarding the proposed temporary suspension of the requirement to submit credit card agreements under the *Truth in Lending Act* (Regulation Z). *See* 80 FR 10417 (February 26, 2015). The proposal constitutes an important step towards the creation of a submission system that is less burdensome to card issuers and more useful to consumers. NAFCU, for the reasons discussed in this comment letter, fully supports this proposal.

General Comments

NAFCU supports the Consumer Financial Protection Bureau's (CFPB) effort to develop a more streamlined credit card agreement submission mechanism. Credit unions consistently strive to provide their members with the type of information useful to determining which products best fit the member's individual financial needs and goals. The development of a more efficient and user-friendly system of submitting credit card agreements for posting on the CFPB website is a significant step toward furthering that mission.

Temporary Suspension

Regulation Z requires credit card issuers to (1) post currently-offered credit card agreements on the issuer's website and (2) provide such agreements to the CFPB for posting on the Bureau's

website. Currently, Regulation Z requires agreements to be submitted to the Bureau on a quarterly schedule, with submission deadlines “on the first business day on or after January 31, April 30, July 31, and October 31” of each calendar year. The process in place for submitting agreements requires the card issuer to send agreements to the Bureau manually through e-mail. The proposal seeks to suspend the submission obligations for a period of one-year in order to give the Bureau time to develop a more “streamlined and automated electronic submission system,” through which card issuers would be able to upload agreements directly to the Bureau’s database and eliminate the process of e-mail submissions.

NAFCU continues to hear from our members issues with the CFPB’s current e-mail submission procedures, including:

- Card issuer confusion and inconvenience
- Extended length-of-time before submitted agreements are posted to the CFPB website
- Difficulty for card issuers to track and eliminate outdated or invalid agreements from the CFPB website
- Consumer confusion and inability to access valid agreements

The proposed rule is expected to aid the Bureau in remedying these defects.

NAFCU believes the process of e-mail submissions is impractical and our member credit unions have often reported confusion and frustration with the current system. As such, NAFCU strongly supports the Bureau’s efforts to proactively remedy these issues and establish a system of disclosure that not only provides consumers with accurate information but also allows credit unions to straightforwardly fulfill their regulatory obligation.

Prepaid Accounts Proposal (RIN 3170-AA22)

In other developments, the CFPB has recently proposed a rule involving prepaid accounts under the *Electronic Fund Transfer Act* (Regulation E) and the *Truth in Lending Act* (Regulation Z). This proposal would apply the same submission requirement to prepaid cards that the Bureau currently seeks to suspend for credit cards. Therefore, the prepaid accounts proposal would hinge on the deployment of the streamlined submission mechanism the CFPB has tasked itself to design.

NAFCU will be submitting a separate comment letter on the prepaid accounts proposal but believes that the CFPB’s agreement submission mechanism should be thoroughly “worked out” before any final rule on prepaid accounts is promulgated or effective.

Conclusion

Credit unions want to continue to provide their members with useful and accurate information. There must be a mechanism in place that allows credit unions to submit agreements to the CFPB without creating confusion or adding to the already overwhelming regulatory burden facing credit unions today. Therefore, NAFCU and our member credit unions strongly support the one-

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year suspension of the obligation to submit card agreements to the CFPB while the Bureau works to develop a more efficient electronic submission mechanism.

NAFCU appreciates the opportunity to share its thoughts on the proposed suspension of credit card agreement submissions. Should you have any questions or concerns, please feel free to contact me at anealon@nafcu.org or (703) 842- 2266.

Sincerely,

A handwritten signature in cursive script that reads "Alicia Nealon". The signature is written in dark ink and is positioned above the typed name and title.

Alicia Nealon
Director of Regulatory Affairs