

about things that need to be done that could be done quickly, we could do them.

Mr. SKELTON. Mr. Speaker, during the August District Work Period, I traveled extensively throughout Missouri's Fourth Congressional district, meeting with residents who were eager to share their views on a variety of Federal matters. In separate visits with Missouri credit union officials and small town Missouri bankers, the state of the economy and Congress' efforts to make financial services more responsive to every day citizens were top priorities for discussion.

Earlier this year, Congress passed and the President signed into law the Credit Card Accountability, Responsibility, and Disclosure Act, bipartisan legislation to make credit card agreements more customer friendly. I supported this measure and am pleased it has become the law of the land.

But, when I met with credit union officials in August, they brought to my attention a technical error in the law that is making it difficult for them to provide lines of credit to some of their members.

When I returned to Washington in September, I immediately brought the credit unions' concerns to the attention of Financial Services Committee Chairman BARNEY FRANK. And, at the same time, my colleague from Vermont, Congressman PETER WELCH, drafted responsible legislation—which we are considering here in the House today—to correct this technical error so that credit unions can continue offering open-end credit plans that are popular with many of their members.

Chairman FRANK, Mr. WELCH, and their staffs have worked diligently to fix this problem for America's credit unions. I am pleased that they have moved this bill so quickly through the legislative process. I urge my colleagues to support Mr. WELCH's legislation and hope the other body will act to pass it soon.

MISSOURI CREDIT UNION ASSOCIATION,  
St. Louis, MO, August 27, 2009.

Hon. IKE SKELTON,  
Rayburn Building,  
Washington, DC.

DEAR REPRESENTATIVE SKELTON: Thank you for taking time out of your busy schedule to meet with Missouri credit unions this month in the district. As discussed, Missouri credit unions are extremely concerned about unintended consequences created by the Credit Card Accountability, Responsibility and Disclosure (CARD) Act of 2009, and the serious implications for consumers in our state. We are asking for your help and support in a legislative solution.

Credit unions did not participate in the consumer abuses regarding credit cards that prompted passage of the CARD Act of 2009, and do not have an issue with complying with the provisions of the CARD Act that relate specifically to credit card accounts.

However, sections of the Act applying to open-end credit plans do affect credit unions and will disadvantage credit union members. Credit unions, working with their members, often set up open-end credit plans because of the flexibility it provides to members in managing their credit and adding future loans.

It is common for members who live paycheck to paycheck, or have trouble managing their money, to request a payment plan that has funds deducted from their checking account or payroll direct deposit that is credited to their loan. They may choose to have funds credited weekly, every two weeks, or twice a month. The CARD Act

requirement that the account holder receive a 21-day notice prior to payment due dates (§106(b)) becomes problematic for the credit union when the member has requested anything other than monthly payments.

When payment schedules occur more than monthly, we are not finding a reasonable solution that meets the 21-day notice requirement of the law. Credit unions report to our association that there are significant issues with data processors in complying with the new law. One of Missouri's smaller credit unions with \$19 million in assets has approximately 1,800 open-end loans that are not credit card accounts. Making the necessary changes to comply with the Act will mean additional ongoing expense. There would be additional costs for multiple mailings including postage and staff time. If the credit union incurs additional costs to comply with the CARD Act, those increases will be passed on to our member consumers. We are also concerned that it will cause our members considerable confusion if they begin to receive multiple notices every month. Many credit unions will be impacted to the extent that they will have to offer only closed-end loans, which eliminates the convenience and flexibility that members need and prefer.

If credit unions adjust all open-end credit plans to only allow one payment per month, we have taken options away from consumers that help them better manage their money. We believe that the intent of the CARD Act is to protect consumers and avoid confusing disclosures and abusive practices relative to credit card open-end programs. We do not believe that the intent was to disadvantage members and increase their costs to access open-end programs.

Section 106(b) is the only place in the Act where the wording "open end credit" is used to broadly apply beyond credit card programs. During our meeting, we provided you with suggested language that would correct this inconsistency. It is provided below. The words in italics are currently in the bill. The bold wording in brackets is the suggested replacement.

#### SEC. 106. RULES REGARDING PERIODIC STATEMENTS.

(a) In General.—Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

(1) Due Dates for Credit Card Accounts—

(1) In general.—The payment due date for a credit card account under an open end consumer credit plan shall be the same day each month.

(2) Weekend or holiday due dates.—If the payment due date for a credit card account under an open end consumer credit plan is a day on which the creditor does not receive or accept payments by mail (including weekends and holidays), the creditor may not treat a payment received on the next business day as late for any purpose.

(b) Length of Billing Period.—

(1) In general.—Section 163 of the Truth in Lending Act (15 U.S.C. 1666b) is amended to read as follows:

#### SEC. 163. TIMING OF PAYMENTS.

(a) Time to Make Payments.—A creditor may not treat a *payment on an open end consumer credit plan* [replace italicized wording with: "payment on a credit card account under an open-end consumer credit plan"] as late for any purpose, unless the creditor has adopted reasonable procedures designed to ensure that each periodic statement including the information required by section 127(b) is mailed or delivered to the consumer not later than 21 days before the payment due date.

(b) Grace Period.—If an open end consumer credit plan provides a time period within which an obligor may repay any portion of

the credit extended without incurring an additional finance charge, such additional finance charge may not be imposed with respect to such portion of the credit extended for the billing cycle of which such period is a part, unless a statement which includes the amount upon which the finance charge for the period is based was mailed or delivered to the consumer not later than 21 days before the date specified in the statement by which payment must be made in order to avoid imposition of that finance charge.

(2) Effective date.—Notwithstanding section 3, section 163 of the Truth in Lending Act, as amended by this subsection, shall become effective 90 days after the date of enactment of this Act.

The 21-day notice period became law on August 20. On behalf of Missouri's 148 credit unions and their 1.3 million members, we are asking for your help in supporting a legislative solution. If we can assist with additional information on this issue, please contact me. Other contacts at the Missouri Credit Union Association regarding this issue are Peggy Nalls or Amy McLard.

Sincerely,

ROSHARA J. HOLUB,  
President/CEO.

Mr. Frank of Massachusetts. With that, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. FRANK) that the House suspend the rules and pass the bill, H.R. 3606.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until approximately 6:30 today.

Accordingly (at 4 o'clock and 1 minute p.m.), the House stood in recess until approximately 6:30 p.m.

□ 1830

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. DAHLKEMPER) at 6 o'clock and 30 minutes p.m.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed.

Votes will be taken in the following order:

H.R. 3689, by the yeas and nays;

H.R. 3476, by the yeas and nays;

H. Res. 659, by the yeas and nays.

Votes on H. Res. 768 and H.R. 1327 will be taken later in the week.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.