

June 7, 2013

Attn: PRA Office
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

RE: Agency Information Activities: Docket No. CFPB-2013-0008 or OMB Control No. 3170-0001

VIA ELECTRONIC MAIL: www.regulations.gov

To Whom It May Concern,

The Michigan Credit Union League (MCUL), the statewide trade association representing 98% of the credit unions located in Michigan and their 4.5 million members, appreciates the opportunity to comment on the Consumer Financial Protection Bureau's (Bureau's) request for comment regarding its proposal to renew the approval for existing information collection, titled – "Report of Terms of Credit Card Plans".

The Consumer Financial Protection Bureau's actions, while in the best interest of consumers, are continuing to increase the regulatory burden felt by credit unions. As expressed since the Bureau's inception, credit unions did not cause the financial crisis. They continue to provide consumers with products that meet their needs at reasonable rates and fees.

Burden of Information Collection

When the Bureau issued the request to complete the credit card survey the request indicated that the responses needed to be returned to the Bureau within ten business days. Given the amount of information requested in the report and the size and complexity of a credit union's credit card portfolio the mandatory requirement to complete the survey and return it within ten business days creates an unnecessary burden on credit unions selected to complete the survey.

While the Fair Credit and Charge Card Disclosure Act of 1998 requires a credit card survey, those selected to participate in the survey process should be granted additional time to complete the survey as the burden adds additional constraints to credit unions who may not have the staff or resources to complete such a process in a limited amount of time.

In addition, the Bureau needs to consider the circumstances in which credit unions utilize a third party processor to issue their credit cards as well as to manage, track and store data associated with their credit card program. Given this process, it may take additional time to

obtain the information from the third party processor in the event the credit union is requested to participate in said survey.

If the credit union issues and manages their credit card portfolio internally they will need to rely on their Information Technology department to assist in compiling the data as well as completing the report. Compiling the associated credit card data may take significantly longer than 1.75 hours depending on the size and complexity of the credit union's credit card portfolio.

Therefore, the Bureau's estimate that the annual reporting burden would be 1.75 hours per response is grossly underestimated, especially for smaller issuers, such as credit unions, who may lack the internal staff to compile all of the data requested, or as previously discussed, issuers who rely on a third party processor to manage their credit card data. The instructions for completing the survey alone are lengthy and complex in nature. Therefore, the 1.75 hours estimated to review the request, the instructions and complete and submit the report is ultimately inaccurate.

Minimizing Burden

The MCUL is supportive of alleviating the regulatory and compliance burden credit unions are facing. In response to the Bureau's request for comment on minimizing the burden of the collection of information through the use of automated collection techniques or other forms of information technology the MCUL supports any effort made.

The current form and reporting method appears complex and outdated in nature. This places additional burdens on credit unions asked to complete the survey as it appears to be a manually intensive process to enter each element of data requested. As previously discussed, depending on the complexity of a credit union's credit card portfolio many credit unions, do not have the internal resources to compile the report and input the data manually. As such, any automated process would aid in reducing the burden of completing the survey.

Necessity of Agency Information Collection

The Consumer Financial Protection Bureau was established as an agency looking out for the best interest of consumers. The MCUL appreciates this and therefore understands the necessity of the Bureau to collect relevant credit card information. Collecting this information provides the Bureau with a significant range of credit card data including rates, fees and the variable rate margin to which annual percentage rates may increase.

In reviewing the submitted data for 2013 APRs ranged from 7% to 23.9% with late fees ranging from \$15 up to \$35. This information is essential in providing the Bureau with information necessary to assist in protecting consumers from overpriced rates and fees. The MCUL also believes the information in this survey will further demonstrate the credit union difference as evidenced by our lower rates and fees. The MCUL encourages the Bureau to utilize this data when considering regulations and the impact they have on the

credit union industry. Specifically as it relates to potentially eliminating competition, which could have the opposite effect of what the Bureau is trying to regulate.

The Credit CARD Act's two main purposes are fairness and transparency to consumers. The Act prohibits certain practices that are unfair or abusing such as significantly increasing the rate on an existing credit card balance or allowing a consumer to go over their credit card limit and then imposing an overlimit fee. The element of transparency in the act is to make the rates and fees on credit cards more transparent to consumers. Therefore providing consumers with information they need to better understand how much they are are paying for their credit card and compare different credit card's terms and conditions.

Given the purpose of the Credit CARD Act, the information the Bureau is requesting assists in identifying potentially unfair rates and fees. The data from the survey is then provided to the public allowing, consumers to compare pricing and fees in spirit with the regulation.

Conclusion

The Michigan Credit Union League appreciates the Bureau's willingness to consider the potential burdens of the Credit Card Plan Survey and its current process for gathering information imposed on recipients of the survey. With the increased regulatory burden to credit unions it is important the Bureau identify burdensome areas and work to alleviate these burdens as needed while providing necessary information to consumers.

The MCUL appreciates the opportunity to provide comment.

Sincerely,

A handwritten signature in black ink, appearing to be "DA", with a long horizontal stroke extending to the right.

Dave Adams
Chief Executive Officer