

July 30, 2009

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex T)
600 Pennsylvania Avenue, N.W.
Washington, DC 205808

Re: Mortgage Acts and Practices Rulemaking, Rule No. R.911004

To Whom It May Concern:

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on FTC's Advance Notice of Proposed Rulemaking (ANPR) seeking comments to determine whether certain acts and practices of non-bank financial companies related to mortgage loans are unfair or deceptive under Section 5 of the FTC Act and should be incorporated into a proposed rule. Such practices include deceptive advertising and marketing actions, misleading disclosures, failure of posting timely payments, etc.

As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 170 credit unions that have over 1.7 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

Summary of GCUL's Position:

- GCUL supports the Commission's efforts to reign in abusive and deceptive loan practices that take advantage of consumers seeking home ownership.
- However, for several reasons, we do not believe these rules should apply to state chartered credit unions that are subject to FTC's jurisdiction under the FTC Act.

Discussion:

Credit Unions have historically been the consumer-friendly financial cooperative solution. Owned by our members, credit unions place a tremendous value in doing the right things for our members and functioning to the highest of ethical standards. However, we acknowledge the existence of other non-bank financial entities which do not always operate in the same manner. Unfortunately, the actions of a few can cause

significant damage to the reputation of others, while also culminating in additional regulatory burdens.

Credit Unions Are Not the Problem

In today's turbulent economic times, credit unions have been at the forefront of helping members achieve the dream of home ownership. Whether handling the entire function - from advertising to loan closing - or providing strategic partnerships with reputable firms, as member-owned financial cooperatives, governed by a board of directors elected from the membership, credit unions have worked to ensure members have the best solutions presented to them. However, as noted above, we are also aware that other providers of similar services do not always have the consumer's best interests in mind. Many of those providers are not regulated in a fashion that would cause their deceptive or abusive practices to cease. For that reason, we support the actions of the Commission to consider the creation and enforcement of regulations targeted at those entities that are the root of the problem. We note, however, that credit unions are not part of the problem.

Credit Unions Should Be Exempt From Additional Regulatory Oversight On This Issue

State chartered credit unions are already heavily regulated in the areas being reviewed by the Commission. Currently, state credit unions must also comply with several regulatory directives aimed at ensuring consumers are well informed and treated fairly throughout the mortgage lending process. Current regulations and laws being adhered to include:

- 12 CFR §740 (Accuracy of Advertising)
- Real Estate Settlement Procedures Act (RESPA/Regulation X)
- Truth In Lending Act (Regulation Z)
- 12 CFR §722 (Appraisals)

State Credit Unions Should Not be Singled Out

Because state credit unions already comply with numerous regulatory requirements, and because state credit unions also operate in a manner consistent with ensuring the financial well-being of their membership, we cannot support the creation of a set of rules, regardless of how well intended, that would single out one segment of the credit union industry.

Subjecting state credit unions to a new set of rules that would address areas already covered by other industry directives would only add to the compliance burden and costs of state credit unions.

For these reasons, we would urge the FTC not to include state credit unions under the scope of any new rule to address the practices in which credit unions do not engage.

Thank you for the opportunity to comment on the ANPR regarding Mortgage Acts and Practices. If you have questions about our comments, please contact Cindy Connelly or me at (770) 476-9625.

Respectfully submitted,

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