



VIA ELECTRONIC TRANSMISSION

February 11, 2016

Mr. Donald S. Clark
Office of the Secretary
Federal Trade Commission
Constitution Center
400 7th St., SW, 5th Floor Suite 5610 (Annex B)
Washington, DC 20024

Re: Holder Rule Review, FTC File No. P164800

Dear Mr. Clark:

The Illinois Credit Union League is the primary association for nearly 300 state and federally chartered credit unions throughout the State of Illinois, who in turn serve 3 million consumers. We thank you for the opportunity to comment on the Federal Trade Commission's Trade Regulation Rule Concerning Preservation of Consumers' Claims and Defenses (the "Holder Rule"), 16 CFR Part 433. We respond specifically to Questions (9) and (10) of the Commission's Request for Comment, which focus on the costs of the Holder Rule on small businesses. Credit unions are, of course, not-for-profit financial cooperatives whose priority is to serve and protect their members. Indeed, the credit union philosophy is "People Helping People."

Credit unions can be impacted by the Holder Rule when they are engaged in indirect lending. The transactions affected are mainly indirect automobile lending arrangements where the ability of the credit union to collect on outstanding loans in default may be compromised due to borrower claims based on the actions of the automobile dealers. Credit unions often contractually address this potential loan charge-off risk through indemnity provisions with the automobile dealers from whom they purchase the retail installment contracts. While any loss for a credit union is significant to its members, there does not appear to be a large number of transactions affected by the Holder Rule for our credit unions in Illinois.

We offer this information simply to present the Commission with the most comprehensive view of the impact, or lack thereof, of the Holder Rule on Illinois credit unions. We thank the Commission for its time and consideration.

Sincerely,

ILLINOIS CREDIT UNION LEAGUE

By: Katherine Romano Schnack
Compliance and Corporate Counsel