



September 1, 2009

To all our faithful credit union members,

First of all, I want to thank each of you for your being part of Piedmont Credit Union. Our members are the ones who make our credit union a great place to borrow and save money. This letter outlines a change in the law that will affect our members who have loans with the credit union. You may have already noticed a change on the enclosed account statement this month. Please read this letter carefully and don't hesitate to call or come by our office if you have any questions about your loans.

Earlier this year Congress passed amendments to Regulation Z which were intended to limit the abusive and predatory practices exercised by certain credit card companies. While this legislation had good intentions it also has had an unforeseen effect on thousands of credit unions across the country including Piedmont Credit Union. The new legislation neglected to specify any difference between credit card accounts and other types of open-end loan plans such as those offered by Piedmont Credit Union. As a result, nearly all of our loans are affected by the new legislation. We will do everything we can to make the necessary changes as seamless as possible, so you should not have to take any action or do anything differently that you are already doing now.

One of the requirements of the new law is that all borrowers must receive at least a 21 day notice prior to a loan payment coming due. In order to comply with the new law Piedmont Credit Union must make the following changes to our loan accounts.

- **All loan accounts will begin to receive a monthly statement.**
- **All loan accounts will have an official due date of the last day of the month.** You may continue to make your payment at whatever day of the month you are used to making it. Only the official due date will change.
- **All loans with a non-monthly payment schedule must be converted to monthly due dates.** For example, if your payroll deposit makes a weekly payment of \$25, then your new monthly statement will show that your loan is due for \$100 at the last day of the month. Your payroll payments will continue at \$25 per week but the payment will add up throughout the month until enough has been paid to roll the due date over to the next month. Loans that are currently on a bi-weekly or semi-monthly schedule will work similarly.

If you have any questions about these changes don't hesitate to call or drop by our office to look more closely at how your loans will be affected. I understand that these changes may be as frustrating to some of our members as they have been to our staff and volunteers. I would urge you to address your concerns to your Congressmen and Senators asking them to please listen to their credit union constituents and not to rush through legislation without fully understanding it.

Yours truly,

C. Tom Shields, Jr.
President