

LEGISLATIVE UPDATE
FAIR AND ACCURATE CREDIT TRANSACTIONS ACT OF 2003
RISK-BASED PRICING NOTICE
DECEMBER 1, 2004 COMPLIANCE DATE

Section 311 of the Fair and Accurate Credit Transactions Act of 2003 (“the FACT Act”), which governs risk-based pricing notices, became effective on December 1, 2004. The provisions of Section 311 are, by their terms, enforceable only by federal agencies, including the National Credit Union Administration. The Federal Trade Commission and the Board of Federal Reserve are responsible for jointly developing a model notice and rules to implement Section 311 of the FACT Act. As of December 1, 2004, the date the requirements for the risk-based pricing notice were effective, neither agency had developed a model notice. These agencies have indicated that they will establish a model notice and implementing rules in the future and that a new compliance date will be established by the federal banking agencies.

Accordingly, the Credit Union will not be required to comply with the Section 311 FACT Act Notice for risk-based pricing notices until a later date, at which time the Federal Reserve, in conjunction with the FTC, will provide a model disclosure form.

The National Credit Union Administration has issued, in conjunction with the other federal regulatory agencies, a joint letter dated November 24, 2004 which can be located on the NCUA web site http://www.ncua.gov/RegulationsOpinionsLaws/opinion_letters/2004Letters.htm under Legal Opinions, Letter No. 04-1140.

Our office will contact you as soon as we obtain information from the FTC and the Federal Reserve Board concerning the Section 311 Act Notice. Should you have any questions, please feel free to contact our office.

PETER J. LISKA, LLC
December 7, 2004