

From: ELGA Credit Union, Mallory Richards

Subject: Regulation Z - Truth in Lending

Comments:

To Whom It May Concern:

I am writing this letter as a fairly new loan officer to the Credit Union, but I have been privileged to work beside three amazing and talented loan officers who I have learned so much from. One of the most important things I have learned from them is how important it is to keep the member and the Credit Union protected through credit life and disability insurance. I have sat next to them through many loan requests and also many loan closings, but there is one in particular that I will always remember. This member was self-employed and had been a member with us for many years. He did all of his business with us and came to us for any loan request that he had. He and his wife loved to spend their time traveling on their motorcycle that was financed through the Credit Union. He was a very knowledgeable business man, but his previous loans were never covered with insurance. This motorcycle loan was a little different though, because we made it a point to really emphasize how important this coverage was for him. We pointed out that he was self-employed and he was getting older that you never know what situation you could be placed in. Thankfully, he agreed and took credit life and disability on his loan. These are points that I believe he never really sat down and thought about until we brought it to his attention. If I have learned one thing, we can't assume that our members know what credit life and disability is all about. About three months ago, he was at his business doing his daily work and had a sudden heart attack and died instantly. When his wife came in to take care of everything, we were ever so happy that we were the ones that gave her the news that the motorcycle loan would be paid off because he chose to take the insurance coverage. With everything that she had going on, and still dealing with the shock of losing her husband of many years, finding this out was such a huge relief for her and it was one thing that she wouldn't have to ever worry about.

This is only one example of the many situations that we are faced with all of the time. Helping members is what we are here for, and this might be one of the most important things that we have to offer them. The new disclosure is very negative and makes this product look as though our members will not benefit from the insurance. Right on the top, one of the first things they will read is "STOP. You do not have to buy Credit Life Insurance to get this line of credit". Immediately members are going to question the institution giving them the loan and put their guard up that we have done something misleading or without their permission. The first question at the top, "Do I need this product?" If you really ask yourself this question, everyone needs this coverage. But, this disclosure claims that there are reasons why someone would not need this coverage. It also states that there are other types of insurances that can give you similar benefits that are often less expensive. It is our job to help them realize how important having this coverage is for not only themselves, but the loved ones they are leaving behind. Please take this story and these points into consideration when making your decision on the changes to the disclosure.

Thank you for listening,

Mallory Richards
ELGA Credit Union