

From: Amber Clark  
Subject: Regulation Z - Truth in Lending

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Comments:

To Whom It May Concern:

This letter is in regards to the proposed document changes for Credit Life, Credit Disability and GAP insurances. The example handed out to our Credit Union was extremely derogatory. I felt as though it made the insurance out to be a joke and a product that our members would never use or benefit from. That is the complete opposite of our intentions as a financial organization.

There have been several occasions in which our members have benefitted greatly from this insurance we sell to them. We have a great amount of members that thank us and would never get another loan without having the insurances because it has saved their car or credit in the past. The statement that reads; "If you have enough life insurance to cover the amount of this loan, you do not need it" is a complete lie! We are not the ones to judge and tell the members if they have enough insurance. Many members have life insurance; we sell credit disability as well as life. If a member happened to become injured or ill, credit disability will kick in and make the payments for them. Life insurance that they have will NOT help our members when they need help the most. We are able to help them while they are out of work and should they pass away. Even if they have life insurance, chances are they do not have enough to pay for everything. The life insurance is supposed to be a replacement for you or your spouse's income. If you have a \$250,000.00 life insurance policy this may seem like a lot but it goes very quickly. Take away all of the items you still owe on; house \$175,000.00, vehicles \$50,000.00 and without any credit cards you are down to \$25,000.00 left. If our members had credit life with us at least it could possible free up the \$50,000.00 they owe on their vehicles. What a relief that would be for them!

I believe each associate is here for the Best Interest of our members. If they believe they have enough coverage, we simply use the example that I stated above to help them better understand how these insurances are to their advantage. We allow them to choose for themselves whether or not these insurances are needed and help them make the most educated decision possible. This is a product we all believe in and feel that it helps our membership tremendously. It is very affordable and easy to have. We do not make them jump through hoops to get this insurance.

The way you are proposing these insurances is attempting to sway our members out of an advantage that could possibly be very beneficial to them and/or their families in the future. We currently are required to disclose the insurance paperwork that already has the mandatory information needed, which is required by the State of Michigan. We are ok with yet another disclosure but feel as though we are duplicating the process. We hope that if it is necessary to provide additional disclosures it will at the very least be considered to modify the verbiage so that it does not sound as derogatory as the example we were provided with.