

From: Farmers State Bank of Munitih, Craig M. Goodlock  
Subject: Regulation Z - Truth in Lending

---

Comments:

December 23, 2010

Jennifer J Johnson  
Secretary - Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW.  
Washington, DC 20551

Dear Jennifer Johnson:

I am contacting you today to ask you to oppose the recently proposed changes to Regulation Z (Truth-in-Lending) dealing with new disclosures and requirements for Short-Term Credit Insurance, Mortgage Insurance, Debt Cancellation Contracts, and Debt Suspension Agreements.

As you know, Regulation Z currently requires disclosures to identify that the purchase of credit protection is not a condition of the loan. It requires the premium for the credit protection to be disclosed to the consumer and it requires the consumer to sign a statement indicating that he or she requested the debt protection. These requirements have been in place for over thirty years.

These proposed changes would have a dramatic and negative impact on our ability to sell these types of products to consumers because the new requirements are overly confusing. Indeed, these required disclosures are actually misleading to consumers about how these products will be helpful in situations where a primary mortgage holder has passed away.

An example of a disclosure that is of a concern is one indicating that there are other types of insurance that give similar benefits and are often less expensive. With regard to GAP insurance, there is no other alternative. This proposed disclosure could lead a consumer to decline GAP coverage thinking they may obtain it elsewhere. This is not the case and by foregoing the option of purchasing it at the time the loan is made, the consumer may have lost their only opportunity to purchase this coverage.

Many people have benefitted from the protection of these products. These products provide a peace of mind for the consumer that a benefit will be paid in the event of death, disability, or involuntary unemployment. These products should be looked upon as useful tools that consumers can use to protect themselves and their families should unforeseen events occur.

Because of the service that these products provide, I believe that these product disclosures should not only be factual, but objective in their nature. The proposed disclosure language contains a tone of negativity towards these products and may actually discourage consumers from using them.

I respectfully urge the Board of Governor of the Federal Reserve System to consider amending the proposed language to be more neutral in its tone about the purchase of these very useful products.

Sincerely,

Craig M. Goodlock  
Chairman/CEO  
Farmers State Bank of Munith