

From: Northeast Credit Union, Robert Wester
Subject: Regulation Z - Truth in Lending

Comments:

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Proposal: Regulation Z - Truth In Lending Act
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Comments:

Dear Board Members; I am writing regarding the proposed regulation requiring disclosures. While I agree that the consumer should be provided with clear information prior to purchasing a product or service, I think the proposed rules takes this too far. Consumers benefit greatly with these products. In the past 3 years, Northeast Credit Union's members were paid 108 claims for \$1,256,554 for Life and 286 claims for 621,960 for Disability. In the proposed form, there is a question."Do I need this product?" There is not a general answer to this question. Each person's needs are different. Do they want to exhaust their savings in the case of death or disability? Do they want those left behind not to have to worry about paying the debts? Can members go and by coverage on their own with a low price as being offered by the Credit Union? Most likely not. These are misleading statements and in no way serve the consumer responsibility. How much does it cost? The proposal show the most costly possible charged. It does not indicate the fact that cost is reduced as the balance decreases. This is also confusing and misleading to the consumer. Can I receive benefits? When you buy insurance, you never plan on having a claim. It is just what it is called, insurance. Insurance if something might happen. This is true with any insurance product, auto, homeowners and life and disability. Insurance provides people a peace of mind knowing that there will be assistance to them or family in case of the unfortunate situation. I strongly urge the Federal Reserve Board to reconsider the proposal! Regards, Robert H Wester