

515.221.3000 *telephone*  
800.860.6180 *toll-free*  
515.221.3010 *facsimile*  
1500 NW 118<sup>th</sup> Street  
Des Moines, IA 50315  
[IowaCreditUnions.com](http://IowaCreditUnions.com)

December 22, 2010

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

RE: Docket No. R-1390

Dear Secretary Johnson:

The Iowa Credit Union League, on behalf of Iowa credit unions, appreciates the opportunity to comment on the Federal Reserve Board's (Fed) Proposed Rule amending Regulation Z (Reg Z), that will mandate specific disclosures for payment protection products, including credit life, credit disability, and debt cancellation and debt suspension coverage.

In general, we support the intent of Congress and the Fed to establish fair and transparent practices pertaining to mortgage loans and payment protection products. Please consider our comments to the issues raised in the proposed rule.

Iowa credit unions are very concerned with the proposed rule's effect upon payment protection products. These types of products help credit union members make loans and other types of payments in times of need. This provides members with peace of mind, especially for those members who do not have, and may not qualify for, other types of insurance. These products also help protect members' credit ratings, which is invaluable in ensuring that they have continued access to credit at reasonable times.

Iowa credit unions have always supported fair, accurate, and appropriate disclosures for members who purchase credit insurance and debt cancellation and suspension products. However, these proposed disclosures misrepresent the purpose and value of payment protection products to credit union members.

These proposed disclosures will have a significant negative impact on credit union members. We are concerned that a significant portion of credit union members who would benefit from these products will elect not to purchase them because they are told that these are bad and inferior products. This decision to

not purchase these products will potentially expose them to unnecessary risks if they are unable to make future payments.

We urge the Federal Reserve Board to change these disclosures so that they will instead reflect accurate, fair and objective information about these payment protection products. The government does not promote certain types of products and services in other industries and has no reason to do so for insurance products.

We appreciate the opportunity to submit these comments on the Reg Z proposed rule mandating specific disclosures for payment protection products, including credit life, credit disability, and debt cancellation and debt suspension coverage.

Sincerely,

*/s/*

Adam Bates  
Compliance Attorney  
On Behalf of the Iowa Credit Union League