



Linda N. Stevenson, CPA
Vice President-Finance & Administration

December 22, 2010

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Sent Via Email to: regs.comments@federalreserve.gov

Re: Proposed Changes to Credit Insurance Disclosures under Regulation Z
and the Truth-in-Lending Act - Docket No. R-1390

Dear Governors:

I am the Vice President of Finance and Administration for Texell Credit Union in Temple, Texas. Our total assets are approximately \$140 million. We hold a community charter for Bell County, Texas, and we have a low-income designation, as most of our 20,000+ members are hard working blue-collar individuals. Many of them cannot obtain financial services elsewhere, and their personal estate and/or financial plans are often lacking or nonexistent.

As a consumer, I support fair and accurate disclosures. I also believe that as a provider of financial services, we have a responsibility to protect and educate consumers. However, these proposed disclosures are overly negative and unclear and, in my opinion, inaccurate.

We recently received a phone call from a member whose husband had suddenly passed away, and she had no income of her own. She had no idea how she was going to take care of the debt, yet she felt a strong sense of responsibility and chose to face it and try to make arrangements. We were able to tell her that her husband had opted for credit life insurance on the loan, and she owed nothing. She came in to one of our branches in person following that phone call, sobbing out of relief and gratitude. She said: "Tell all your members about this." They were common folks and had no other life insurance. Credit life (and disability) insurance is not intended to be an estate plan or to provide an overall life insurance safety net for an individual. It is designed to protect the member and their estate from a catastrophic event that would negatively impact that one loan. The premiums decrease as the loan balance decreases. Many of our members could not afford other forms of insurance, or could not qualify for coverage.

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Finally, insurance products in the State of Texas are regulated by the State Insurance Department. These disclosures should not be within the oversight of the Federal Reserve Board. This proposal demonstrates an overreaching function of the federal government.

Texell Credit Union, our staff, and our members urge you to consider these concerns as you consider the proposed disclosures.

Sincerely,



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