

12-26-2010

Federal Reserve Board,

My credit union is very concerned with the Federal Reserve Board's recent proposal that will mandate specific disclosures for payment protection products, including credit life, credit disability, and debt cancellation and debt suspension coverage.

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.

Wichita Federal Credit Union paid out \$274,902.00 in benefits last year in Credit Life and/or Disability payments. One member received almost \$100,000 in life insurance payments that paid off five loans that her and her husband had with us at the time of her husband's death. She would not have been able to make these payments and keep her standard of living without this benefit.

We support fair and accurate disclosures, but not one that will be aimed at making the member not select the coverage because they are led to believe the products are of no value to them. When these products are purchased they are purchasing peace of mind, in fact the best thing is if they don't have to use them. I have insurance protection on my house, but I hope I never have to use it.

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.

Sincerely,

Doug Cheatum  
Wichita Federal Credit Union  
VP of Lending