



December 21, 2010

Federal Reserve Board

Re: Proposal Docket No. R-1390
Regulation Z-TIL-Credit Insurance Notice

To Whom It May Concern:

I would like to take this opportunity to comment on the proposed notice to be given to members prior to signing loan documents. I have been with ELGA Credit Union for thirty two years and I have seen thousands of members as well as their families saved from losing assets because they had valuable insurance coverage on their loans. It is such a relief to members on disability or a grieving spouse when they do not have to worry about the payments owed on a loan at their credit union. Our member's demographics are of modest means, rarely do they have adequate, if any life insurance. If they have disability insurance, it usually provides only 60% of their pay. This is not enough to live on, let alone make to loan payments. Many times, if it were not for the low cost insurance that we offer to protect them from the unforeseen, they would have none. The peace of mind this product brings is extremely valuable to families faced with an unexpected illness or death. Our credit union alone has seen benefits paid for members over the last three years totaling \$499,000.00. Not only has this helped our members, it has also helped our credit union in the area of delinquency and repossession. We have worked hard to protect as many loans as possible allowing us to keep the premiums for our members low. This is in the same cooperative spirit as being a credit union member.

I believe that the proposed notice is extremely negative (**STOP. You do not have to buy Credit Life Insurance to get this line of credit.**) It may make a person feel like they were making a mistake by purchasing the insurance coverage. The explanations to the questions are vague and not clear. I truly believe that the state required notice provides the information necessary for a person to make an informed decision. This second notice would only cause confusion. Our lenders believe in this low cost protection and do a great job explaining the cost and coverage as we have seen so many people helped by it. We do not charge a large up front premium, rather, we add the monthly premium (based on balance) to the loans we originate. The monthly premium goes down as the loan balance decreases. Perhaps, it would be better for you to create regulation on the up-front premiums being added to loan balances and not the notice requirements?

Please reconsider requiring the notice for states that already have a notice requirement or at minimum, please work on the language in the proposed notice.

Thank you for your time and consideration.

Sincerely,
Karen A. Church, CEO
ELGA Credit Union