

From: Leo Pereda
Subject: Regulation Z - Truth in Lending

Comments:

Leo Pereda

December 3, 2010

Dear 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 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 rates.

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.

Sincerely,

Leo Pereda