

From: ELGA Credit Union, Danielle Neiswender
Subject: Regulation Z - Truth in Lending

Comments:

To Whom It May Concern:

I am writing today regarding the proposed Regulation Z, requiring that we give our members an additional disclosure on Credit Life and Disability insurance. While I am all for providing our members with everything they need to make an informed decision on any of our products and services, I feel that the disclosure suggested is a bit misleading. It leaves any person reading it with the impression that they would, in fact, be stupid to actually purchase these products. The first word we see is STOP in bold. It goes on to give multiple reasons that a member should not actually purchase this product. It does nothing to explain the benefits these products provide or the help that these products have offered to thousands of our members. This gives me the feeling that this disclosure is a warning, that my credit union is trying to sell me a product that has no actual benefit for me, and even more so, that my credit union is a bit predatory.

I truly feel that credit life and disability insurance is an incredibly valuable product. ELGA Credit Union has had historically low costs for this service, and has made a difference in the lives of our members by allowing them to stay financially healthy when perhaps their bodies were not so. Just a few months ago, I helped on a claim for a member that may otherwise have been forced into bankruptcy. She purchased a brand new car with us and found out one month later that she had a malignant tumor the size of a grapefruit attached to her spine. Surgeries, health complications, COPD and a long, drawn out disability claim through social security put a financial strain on a person that had worked her entire life for GM and had never had a late payment in all the time that she had had loans. We, as her credit union, were not only able to relieve a stress for her, but allowed her to keep a vehicle that she would otherwise have had to turn in. This was the only vehicle she had to get to and from doctor's appointments and treatments allowing her to get healthy again. I am positive that in this case we made a difference in her life. This instance is not something particular to this member. ELGA helps members like this every day. If we make it impossible for people to feel good about making the decision to purchase Credit life and disability, we will undoubtedly have fewer people purchase it. We live in an area that is by and large underinsured. This type of insurance may be one of the few they can actually afford. If fewer people are purchasing it, costs will be driven up. Higher costs will possibly make this insurance unaffordable for a lot of people who need it. If we stop providing this affordable benefit to our members, they are at risk for serious financial hardship and ELGA is at risk for the same. Please help us help our members. This disclosure can be worded in a way that is much less derogatory and will benefit everyone involved by being more member friendly.

Thank you for your consideration,

Danielle Neiswender

ELGA Credit Union
Loan Officer, Member Service