

From: Cosden Federal Credit Union, David A. Roman
Subject: Regulation Z - Truth in Lending

Comments:

December 21, 2010

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

REF: Docket No. R-1390, Regulation Z; Truth in Lending

Dear Sirs,

I write this letter on behalf of Cosden Federal Credit Union and our 4,300+ member/owners to express our concerns regarding the proposed Regulation Z changes for credit insurance products.

I completely support full disclosure to our member/owners as well as all consumers for all products offered in conjunction with any consumer loan. But I must say that the suggested format and choice of wording are negatively biased and may cause members confusion as to the real value and even the actual cost to the individual borrower. Just in 2010 our credit union members have received benefits of over \$16,500 in loan payments alone. These are payments that have prevented sever financial strain on a number of individuals.

Another concern is the additional regulatory burden placed on our very small credit union (under \$10 million in total loans). Our State Insurance Commission is very strict on rates, disclosures and forms to insure consumer protection and these additional proposed requirements will only add to the regulatory burden. That burden is becoming more expensive and increasingly difficult to manage. The additional expenses cannot be completely absorbed and in the long run these additional costs will be borne by the end user, the consumer. And that is the member/owner of the credit union, so not only will the borrower see higher cost, so too will the saver in lower returns on their deposits.

I urge you to change the proposed regulation to reflect accurate, fair and objective information about payment protection products.

Sincerely,

David A. Roman, CEO
Cosden Federal Credit Union