

From: ELGA Credit Union, Rhonda Henderson
Subject: Regulation Z - Truth in Lending

Comments:

To Whom It May Concern:

It has been brought to my attention that soon loan officers will need to hand out another notice to our members about credit life and disability. I realize the importance of making members aware of the extra insurance products that they may purchase on their loans. However, I feel this additional notice will have a negative impact on the benefits of purchasing these very helpful products. I have countless stories that I could tell you of how these products have helped out in more ways than one but I will share one with you in particular. Earlier this year I did a loan for a member who unfortunately got sick and passed away. Thank goodness that she had the protection on her loan to where it totally covered it and was able to pay the loan off in full without her family having to worry about either giving the car back to us or taking the proceeds from her estate. Not only is our member resting in peace but her family has a peace of mind as well because of these extremely helpful products. I should also mention the amount of this loan that got paid in full was 8605.50.

Yes, there is some cost involved for this coverage and we do make certain that the members are fully aware of this before buying the extra protection. Sadly, in our high unemployment state of Michigan our members are using these products and the benefits far out weigh the cost. Many of our members are currently only receiving benefits of 60% of their pay due to sickness or layoff. Most people can't afford life insurance especially since many employers are now reducing their coverage. For our members to know that they can get coverage on loans without any hassle is a relief to them. Please reconsider the notice that you will have us hand out soon and make the necessary adjustments to show how the products can in fact be more helpful rather than harmful. Thank you for taking time to understand my concerns in regards to this matter.

Rhonda Henderson
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Lending Specialist