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The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Docket No. R-1390

Dear Chairman Bernanke:

This letter is regarding the Federal Reserve Board's (the "Board") proposed Rule R-1390, which amends Regulation Z (75 F.R. 58539). Specifically, I would like to share my concerns regarding the proposed disclosures for credit insurance and debt protection products.

I applaud the Board's intent "to ensure that consumers are fully informed of the costs and risks" of credit insurance and debt protection products. Promoting informed consumer choice and increased transparency is a worthy goal. However, the proposed disclosures include confusing and potentially misleading statements.

I am particularly concerned that the following statement made in the disclosures has little context and may have several different meanings: "You may not receive any benefits even if you buy this product." This statement, among others, may have the unintended consequence of causing confusion rather than providing consumers meaningful information with which to make sound financial decisions. As a result, the proposed disclosures could dissuade consumers from purchasing credit insurance or a debt protection product, even if such a product meets their financial needs.

With these comments in mind, I hope that the Board will reexamine the proposed credit insurance and debt protection product disclosures to ensure that consumers enjoy the benefit of clear and meaningful information when making decisions about coverage. Further, I encourage the Board to work with industry experts should it decide to make revisions to the current rule or develop additional disclosures related to credit insurance and debt protection products in the future.

I appreciate the opportunity to share these comments with the Board as it considers proposed Rule R-1390.

Sincerely,



Mike Johannis
United States Senator

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