

From: University Bank, Tracy Garland  
Subject: Regulation Z - Truth in Lending

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Comments:

December 22, 2010

Jennifer J Johnson  
Secretary - Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW.  
Washington, DC 20551

Dear Jennifer Johnson:

I oppose aspects of the recently proposed changes to Regulation Z (Truth-in-Lending) dealing with new disclosures and requirements for Short-Term Credit Insurance, Mortgage Insurance, Debt Cancellation Contracts, and Debt Suspension Agreements. I do not believe that the cost of Mortgage Casualty Loss Insurance or Debt Cancellation Contracts which are excellent alternatives to homeowners insurance should be included in the APR calculation of a loan.

These proposed changes would have a dramatic and negative impact on our ability to sell these types of products to consumers because the new requirements would be confusing. Indeed, these required disclosures are actually misleading to consumers about how these products will be helpful in situations where a primary mortgage holder has suffered a catastrophe that would be covered by this insurance.

Because of the service that these products provide, I believe that these product disclosures should not only be factual, but objective in their nature. The proposed disclosure language contains a tone of negativity towards these products and may actually discourage consumers from using them. While you intend to decrease sales of credit life insurance, which is generally a rip off, casting too wide a net that takes up all Mortgage Insurance and Debt Cancellation Contracts would be foolish indeed! The rule needs to be tightly written to distinguish between credit life insurance and contracts which are equivalent to property & casualty insurance.

I respectfully urge the Board of Governor of the Federal Reserve System to consider amending the proposed language to be specific to avoid the destruction of these very useful products.

Respectfully,

Tracy Garland  
Vice President  
University Bank