From: ELGA Credit Union, Amanda Shaw

Subject: Regulation Z - Truth in Lending

Comments:

I have been in the banking business for a little over 10 years. I have been with ELGA Credit Union for 5 years. I have seen many claims made weather it was a disability or a life claim or even gap claim.

I think that these products are a wonderful product to have just in case if something happens. I have several examples that I can tell you about with making these claims.

For the disability claim I had a mother of 4 kids and she was a waitress. It was raining one night in October and she was carrying her youngest daughter and she slip on the step. She broke her ankle and tore muscle. So she had to have surgery and she was off for 4 months, without her income she was struggling to make her payments and all they had was the husband's income. Once I heard about it I made the claim for her and she was grateful that she took the insurance because if not she would have struggled even more to make ends meet. She thought she could go back and she ended up off even longer. She was very happy that she took it and didn't have to worry about that payment and focus on all the other bills.

An example for gap claim was a couple got in to an accident and they were upside down on their auto that we financed for them. It was a brand new one so once they drove it off the lot the value was a lot lower. They took gap plus, which means that if they had to use it they were able to get and extra $1,000.00 towards the next auto. Well, not even 4 months after we financed it for them they got into the accident and they we upside down by $5,000.00. We made the gap claim and they had no expenses out of their pockets. The came back to us for their loan and they got $1,000.00 and took gap again because they seen the advantage of having gap.

The down side of this revised Regulation Z is that members don't know if they are going to be off of work so what happens if they are off a long time and they use up all the savings that they have.

If someone died then their family has to worry about what is going to happen to the loan. For example of they have an auto loan and that is their only auto then they family has to worry about making the payment and all the bills. Life insurance is to help with funeral expense and some of the loans that are out. But if they don't change the policy when they get a new loan then a family will have to worry about getting it paid off.

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