

From: Arkansas Valley FCU, Heather Gallegos
Subject: Regulation Z - Truth in Lending

Comments:

December 22, 2010

Federal Reserve Board

Dear Federal Reserve Board:

Arkansas Valley FCU is concerned regarding the proposed mandate that will require specific disclosures for payment protection products including credit life and disability coverage which we offer to our members.

We do not disagree that members should be provided with information regarding these products so that they can make an informed decision. However, we believe this information should be unbiased. The sample disclosure is very biased and would likely lead to members who would truly benefit from this coverage opting out.

While this coverage is not for everyone, there are many members that benefit from these products. Our lending staff information regarding the terms of the insurance and its the cost with all members prior to the member signing up for it. Additionally, disclosures are already required at the time of signing up for insurance that describe the coverage and the total premium the member will pay over the term of the loan if paid as agreed. Additionally, members can cancel the coverage anytime during the term of the loan at which time they cease payment of any future premiums.

In closing, we believe these disclosures will negatively influence members regarding payment protection products. We do not understand the purpose in requiring additional disclosures. However, if the Federal Reserve Board deems this necessary to better protect consumers, we request the required disclosure be revised to present these products more objectively as there is a legitimate need for these products.

Sincerely,

Heather Gallegos