

From: Power Co-op Employees Credit Union, Jacki Lerdal
Subject: Regulation Z - Truth in Lending

Comments:

12-25-2010

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Proposed Changes to Credit Insurance Disclosures under Regulation Z
and the Truth-in-Lending Act

Docket No. R-1390

Dear Sirs

I am writing in opposition to the proposed amendments to the credit insurance and debt protection disclosures under Regulation Z on behalf of Power Co-op Employees Credit Union

We believe that the proposed amendments:

- Would have significant negative impact to credit union members, credit unions, and the entire credit union industry.
- Would have a negative effect on credit union's non-interest fee income due to fewer members purchasing the products.
- Will increase our credit union's risk of loan losses and charge-offs due to fewer members purchasing the coverage.
- Cast payment protection products in an extremely negative light and strongly discourage the purchase of these products by consumers.
- Misrepresent the purpose and value of payment protection products to credit union members.
- Are misleading and inaccurate.
- Discourage members from purchasing payment protection products, thus putting their financial future at risk.

Power Co-op Employees Credit Union has been offering payment protection products for over 50 years. Here are a few examples of how this product has helped my members in times of need.

One of my members had a car loan at the credit union and had to have hernia surgery. He was a self employed truck driver and so had no income while recovering. Because he had the temporary disability insurance on his loan, he did not have to worry about making his car payment while he was unable to work.

Another one of my members became very ill and was hospitalized numerous times over the course of a year and a half. While he tried to return to work in between hospitalizations he was not able to do so full time and the temporary insurance on his loan continued to make his car payments through this period of time.

And most recently one of my members suffered nerve damage during the birth of her baby and was unable to return to work for several weeks. Because she had this insurance her car payment was made throughout the time that she was unable to work.

Power Co-op Employees Credit Union has always supported fair and accurate disclosures to members who purchase payment protection products. Please revise the proposed amendments in order to provide the consumer with more accurate and balanced information about payment protection products.

Sincerely,

Jacki Lerdal, VP & Manager
Power Co-op Employees Credit Union