

From: Judy Mackowiak  
Subject: Regulation Z - Truth in Lending

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Comments:

Judy Mackowiak

October 30, 2010

Dear Federal Reserve Board:

Upon reviewing the proposed disclosure, I feel that it does not represent how the payment protection products benefit the members. It sounds more of a reason why you should NOT take these benefits. Is the government going to make payments for these members if they are unable to? Is not a \$50,000 payment better than no payment? Is wiping out your personal insurance to pay your mortgage and other expenses better than leaving funds for your family? As for the cost- the premium lowers as the balance lowers. Therefore, the \$63 a month is NOT a fixed premium as the disclosure is making it sound. As for the Yes, the sentence itself is derogatory. It might as well just say No, I do not want this protection so I can save up to \$63 a month. When I complete an application for a credit card, I do not check a box that states Yes, I will pay your 29% interest rate if I default!

These products have been a great asset for our credit union as our members are heavy equipment operators and the chances of injuries are high. The members that have received benefits have been VERY thankful as their disability and/or workman's comp was NOT enough to survive on.

So I do not understand why the FRB would want to make the Payment Protection Program sound like a ripoff to our members. We urge the Federal Reserve Board to change these disclosures so that they will instead reflect accurate, fair, and objective information about these payment protection products. The government does not promote certain types of products and services in other industries and has no reason to do so for insurance products.

Sincerely,

Judy Mackowiak