

From: Sally Gorman
Subject: Regulation Z - Truth in Lending

Comments:

Sally Gorman

November 2, 2010

Dear Federal Reserve Board:

I am very displeased with the Federal Reserve's proposed disclosures for credit life & credit disability.

These products provide peace of mind for our members. They purchase the policies to protect themselves in the event of a terrible personal tragedy. If they should die or become disabled they do not want their family members to also be with be faced with a financial disaster at the same time.

The wording in the proposed disclosures implies that it is a mistake to purchase credit life and credit disability. The G-16(A) proposed model disclosure starts out by saying "STOP. You do not have to buy (name of product) to [get][keep]this line of credit". That is a very hardsh statement. Our credit life & disability brochure says on the cover VOLUNTARY PAYMENT PROTECTION. I beleive that phrasing also informs the member that it is not a required product but that it is available, if desired.

The model disclosure also states that "You may not receive any benfits even if you buy this product". That seems to imply that the policy will not pay even if you die or become disabled, which is blatantly untrue. Responsible adults protect their families from financial disaster with life insurance, health insurance, auto insurance,etc. without dying immediately, having a major medical claim, a fire or auto accident on a daily basis. They understand that insurance policies only pay off when disaster hits. They certainly hope that disaster never strikes but they are wise to protect their families in case it does.

I urge the Federal Reserve to change these disclosures to reflect accurate, fair and objective information about credit life and credit disability.

Sincerely,

Sally Gorman