

From: Orange Countys Credit Union, Gary Rebensdorf
Subject: Regulation Z - Truth in Lending

Comments:

Gary Rebensdorf

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Dear Federal Reserve Board:

Orange County's Credit Union is very concerned with the recent proposal that will mandate specific disclosures for payment protection products. I personally have worked in the capacity as a financial advisor working with individuals in excess of 25 years and the proposal candidly frightens me.

If I were a consumer and saw the disclosures as written I would be highly unlikely to purchase this protection. If there is one thing I saw as an advisor that concerned me most it is the lack of protection of an individual's income.

It is rare for someone to have enough life insurance protection to provide support for the family let alone some sort of protection that would pay off an automobile or any other consumer debt.

While many people do have some life insurance coverage, the protection of one's income is woefully short in the event of a disability. In fact it has been my experience that the only people that are adequately protected are those in the higher echelon professional categories that qualify for and can afford the "Cadillac coverage" offered by various disability insurance providers.

As the sponsor of this type of product line at Orange County's credit union, I can tell you that the loss of jobs in this economy has put many members either on the brink of or into financial disaster. Because of the protection we provide many families still have a vehicle to drive to look for their next job.

At Orange County's Credit Union and the credit union industry as a whole we have always supported fair, accurate, and appropriate disclosures for members who purchase our debt protection products. The disclosures as proposed misrepresent the purpose and value of payment protection products to credit union members by making it appear that they would be foolish to purchase the products.

If the disclosures remain as proposed they are likely to have significant negative impact on credit union members. We are concerned that we are exposing a significant number of our members to unnecessary risk by portraying the products as a bad or inferior product. Without this protection many folks don't stand a chance of making their payments should they lose their job or become disabled. In the event of death, it is often a spouse that is left with few resources that has this additional burden put upon them.

I would urge the FRB to change these disclosures so that they will offer full disclosure but in a way that is accurate, fair and objective.

Gary Rebensdorf
Orange County's Credit Union