

From: Stacy Wagner
Subject: Regulation Z -- Truth in Lending

Comments:

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Proposal: Regulation Z - Truth In Lending Act
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November 17, 2010 Ms. Jennifer J. Johnson, Secretary Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW Washington, D.C. 20551 RE: Proposed Rule - Revisions to Reg Z - Credit Protection Products Docket No. R-1390 Dear Ms. Johnson: I oppose the suggested changes to the credit insurance and debt protection disclosure rules. The disclosures are misleading and will hurt borrowers and Financial Institutions. Debt protection products provide numerous benefits to borrowers, including: pay off a loan, or makes payments in case of death or disability provide peace of mind for the consumer protect a borrower's credit rating protect our loan portfolio from defaults Debt protection is a very beneficial product to Financial Institution's as well, as it protects their loan portfolio from defaults and thus plays a vital role in their safety and soundness. Elizabeth Warren herself believes many Americans lack sufficient levels of insurance. I am confident you and the Board are well aware of Ms. Warren's studies on how uninsured illnesses and injuries contribute to a significant percentage of all bankruptcies in the United States (Market Watch Illness And Injury As Contributors to Bankruptcy, Health Affairs, February 2005). In today's economic environment, why strip away a proven method of providing Americans with the opportunity to protect their debt through the purchase of credit life and credit disability products? When debt protection products are offered borrowers, it is done so in a responsible manner, designed to follow the law and fully inform borrowers about the product. I do not object to providing new or revised disclosures, as long as such disclosures are accurate and impartial. The proposed disclosures, as written, are inaccurate and misleading to the consumer. Additionally, the tone of the proposed disclosures is unduly negative and alarming. Effective disclosure language must be objective and factual and with no underlying tone of bias or negativity. Unfortunately, the proposed disclosures fail to meet any of these criteria. In conclusion, these proposed

disclosures will hurt Financial Institutions and borrowers. They are misleading and serve to warn consumers away from a product that may provide important and needed benefits to them. It is not the role of our government to tell the American public not to purchase - or to purchase - a product. I ask the Board to withdraw these proposed disclosures. Or, alternatively, establish disclosures which are accurate, objective and balanced for all parties involved. Sincerely, Stacy Wagner