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Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Regulation Z; Docket No. R-1366
Mortgage Disclosure Improvement Act
December 29, 2010 Interim Rule and Request for Public Comment

Dear Ms. Johnson:

I am writing on behalf of Aon Integramark, a debt cancellation service provider for the lending industry. Our comments relate to the proposed revisions to Regulation Z that impact the offering of debt cancellation on closed-end real estate secured credit. Aon is requesting that the charge for voluntary debt cancellation be permitted to be included in the new required interest rate and payment summary disclosure.

The Mortgage Disclosure Improvement Act (MDIA) amended the Truth in Lending Act (TILA) to require creditors to disclose examples of rates and payments, including the maximum rate and payment, for loans with variable rates or payments. Under the September 2010 Interim Rule implementing the MDIA, creditors are required to disclose in a tabular format the contract interest rate together with the corresponding monthly payment, including an estimated amount for any escrows for taxes and property and/or mortgage insurance. In the September 2010 Interim Rule, the Board acknowledged that the new TILA section requiring the payment disclosure applies by its terms only to mortgages where the rate, payment or both may change after consummation. Accordingly, the Board could apply the new interest rate and payment summary requirements to only such mortgages and not to fixed-rate, fixed-payment mortgages. The Board stated, however, that it believes that new Section 226.18(s) regarding interest rate and payment summary disclosures should apply to all mortgages to simplify compliance for creditors and make comparing different loan products more straightforward for consumers. Accordingly, the interest rate and payment summary disclosure is required for all transactions secured by real property or a dwelling, including fixed-rate, fixed-payment mortgages.

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The December 2010 interim rule adopts a revised comment explaining the provision for taxes and insurance in the interest rate and payment summary disclosure in Section 226.18(s). The new Comment 1 to Section 226.18(s)(3)(i)(C) provides in part:

The payment amount must include estimated amounts for property taxes and premiums for mortgage-related insurance required by the creditor, such as insurance against loss of or damage to property, or against liability arising out of the ownership or use of the property, or insurance protecting the creditor against the consumer's default or other credit loss.

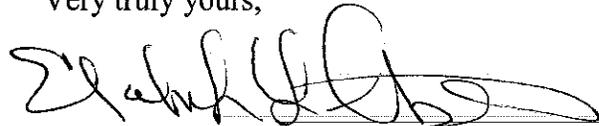
Premiums for credit insurance, debt suspension and debt cancellation agreements, however, should not be included. (emphasis added).

The result of this comment is that the interest rate and payment summary disclosure will reflect a monthly payment that does not include the debt cancellation fee. This will require lenders to provide a second payment disclosure containing the monthly payment amount that includes the debt cancellation fee. The result being that consumers will receive two payment disclosures containing two different monthly payments. Receiving two monthly payment disclosures will cause confusion for consumers.

To avoid consumer confusion, Aon requests that for consumers that choose to purchase debt cancellation, the fee for debt cancellation be permitted to be included in the interest rate and payment summary disclosure.

Aon Integramark and I appreciate your consideration of this comment letter as part of the Board's review of the closed-end real estate secured credit provisions of Regulation Z. Please do not hesitate to contact me if you have any questions or would like additional information.

Very truly yours,



Elizabeth L. Anstaett

cc: Tom Ostenson, Esq.
Darrell L. Dreher, Esq.