



12-21-2010

Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C. 20551

Sent Via Email to: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

Re: Proposed Changes to Credit Insurance Disclosures under Regulation Z and the  
Truth-in-Lending Act  
Docket No. R-1390

Dear Board of Governors of the Federal Reserve System:

I am with Complex Community FCU a \$275 million Credit Union in Odessa, Texas. I have some major concerns about the proposed changes to credit insurance disclosures under Reg. Z and the Truth – in – lending Act.

The new proposed disclaimer is misleading and inaccurate. By including the fees for insurance into the APR calculation, members are being presented with a distorted view of the cost of their loan for comparison purposes. In addition those who need the protection could be dissuaded from using it – even though they may not have adequate coverage. I am all for fair, accurate, and appropriate disclosures, but the proposed language is not any of those. On the contrary, it is inaccurate, unclear, and/or vague. It totally misrepresents the purpose and value of the insurance coverage. For these products, the cost decreases as the balance is paid off, and the proposed disclosure does not take that into account. Instead, it misleads the consumer into think he will pay the max monthly payment consistently throughout the term of the loan

I just recently had a member that benefited from taking out credit life on his home equity loan. He had paid four years into the loan when he was diagnosed with cancer. With in six months, he had passed away. His widow was able to use the credit life to pay off the loan so she did not have to lose the house. If we had disclosed it the way you proposed, I do not believe they would have purchased the insurance.

I also believe that this is an example of the federal government over-reaching its bounds. Insurance regulation is a state regulatory role. States have their own insurance disclosure rules, and double disclosure may actually confuse the consumer.

Complex Community FCU urges the Federal Reserve to take this concern under advisement as they consider this new disclosure

Sincerely,

Jason Berridge  
President/CEO  
Complex Community FCU

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