

From: Americas Credit Union, Joe Wasaff
Subject: Regulation Z - Truth in Lending

Comments:

TO: Honorable Board of Governors of the Federal Reserve System

FROM: Joe Wasaff, Pres./CEO, America's Credit Union, \$160mm in assets

RE: Proposed Changes to Credit Insurance Disclosures under Regulation Z and the Truth-in-Lending Act

Dear Honorable Members of the Board of Governors:

Like you, America's Credit Union (ACU) is committed to ensuring the consumer receives fair and accurate disclosures. ACU is also dedicated to improving the financial well being of its members.

In 2010, of the members holding credit insurance on vehicle/signature loans through ACU, paid claims were \$31,128. Paid-in premiums amounted to \$56,569. The 2010 claims-to-premium ratio was 55%. With such a high claims ratio, the credit insurance service utilized by these members not only protected them, but improved the financial condition of claimants.

The proposed credit insurance amendment, R-1390, made in good faith, could discourage members who need credit insurance coverage. Most people think "interest rate." By including the cost of the insurance in the APR, the value of this insurance is cast in a negative light. If members who do not have alternative forms of insurance refuse credit coverage because of a higher interest rate, their financial future will be put at risk.

When it comes to insurance, the State of Texas, along with other states, requires strict, yet appropriate, disclosures to ensure consumer protection. The proposed amendment assumes "one size fits all." With most states closely overseeing and scrutinizing insurance products, it is prudent to leave well enough alone.

In the name of the members, board and staff of America's Credit Union, I request that you remove the proposed disclosure changes.

Joe Wasaff
President/CEO
America's Credit Union