

December 1, 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:

We opposed the suggested changes to the credit insurance and debt protection disclosure rules. The disclosures are misleading and will hurt our borrowers and our Financial Institution. Debt protection products provide numerous benefits to our 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 our Financial Institution as well, as it protects our loan portfolio from defaults and thus plays a vital role in our company's safety and soundness.

Elizabeth Warren herself believes many Americans lack sufficient levels of insurance. We are 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 we offer debt protection products to our borrowers, we do so in a responsible manner, designed to follow the law and fully inform our borrowers about the product. We 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 our organization and our 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. We ask the Board to withdraw these proposed disclosures. Or, alternatively, establish disclosures which are accurate, objective and balanced for all parties involved.

Sincerely,

Deb Heaney

Deb Heaney, Senior Loan Officer/Manager
Minnesota First