



December 22, 2010

Board of Governors
Federal Reserve System
20th Street and Constitution Ave, N.W.
Washington, D.C. 20551

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

Dear Board of Governors:

InvesTex Credit Union is a mid-sized institution (\$92 million in assets) that serves a very local community primarily comprised of Teachers in and just north of Houston. Most of our members live check to check and have less than a 600 score, but we still find ways to help them.

Among the many services we provide is credit life and credit disability insurance. Approximately 37% of our member's choose to provide the credit insurance protection they want and need to protect their families. It is not a matter of whether they have other insurance (many of them do and many do not and cannot qualify for term insurance or can't afford the rates), rather it is additional LOW cost protection for their families.

Just as an example; a young person 18 to 22 will have a difficult time affording term insurance especially if they are working to pay for college and the credit insurance we provide is not costly, is prudent, and allows piece of mind both to the young person and their family (who are usually helping them). For an elderly person (say 55 to 65) obtaining term insurance is very difficult and expensive. However we provide it at the same cost as provided to every other member regardless of age and it protects them on their loans until they turn 70. That is a strong benefit. And we pay the claims!

We primarily focus on consumer loans (vehicles and signature loans) and work hard to provide the absolute best rates possible to ensure money stays in our member's pockets. We charge rates monthly bases on the declining balance of the loan outstanding and do not charge the premiums up front. During the years 2006 thru 2009 our members received over \$226,000 in claims benefits (both credit life and disability insurance) to pay off their loans or pay their loan payments. That trend of benefit return to the member continues in 2010 and is the norm for InvesTex Credit Union.

In addition to significantly helping the members, credit insurance helps their credit union by protecting loans. This is NO small issue as that safety and soundness impact spreads across our entire industry and impacts over 90 million members nationwide. I personally have lost family (my sister) and she was at the time a divorced mother of two small boys. The credit insurance on her vehicle not only paid off the vehicle, but then the vehicle was sold and the funds paid for the funeral and provided other benefits to her two boys.

I agree with full, fair, and accurate disclosures as I am certainly (with six boys of my own) a careful consumer, but the changes recommended are extremely negative, unclear, absolutely inaccurate, and adds no value to current disclosures. These changes will mislead and confuse our members. I cannot stress enough that this proposed action is inappropriate, unnecessary, a regulatory over-reach and not well thought out at all.

With all due respect, I urge the Board of Governors of the Federal Reserve System to take my concerns and those of thousands of other credit union professionals and consumers in general under advisement as they consider the proposed changes to credit insurance.

Respectfully,

Keith L. Kearney
President / CEO