

Brewster Federal Credit Union  
105 S. Wabash Ave PO Box 115  
Brewster, OH 44613

December 21, 2010

Board of Governors of the Federal Reserve System  
20<sup>th</sup> St and Constitution Avenue, NW  
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:

I am writing to you from Brewster, which is a village in Stark County Ohio. Credit Life and Disability products are important to a lot of my members that obtain loans here. Brewster FCU runs a risk based loan program where we truly help members which are credit challenged for whatever reasons ranging anywhere from loss of jobs to medical problems and many other reason in between. Not all people have a financial plan in place to cover any loss of work disability or life coverage. When these types of thing happen in their lives they DO NOT have the means to make their auto payments, if car payments are not made then my Credit Union would be required to repossess that auto. The repossessed auto may mean the difference between getting to the health care provider as needed or not getting there. Life coverage may mean that when a husband passes away the wife and children may be left without an auto because they no longer have the means to pay for that auto, now they have lost the breadwinner in the family and also lost a much needed form transportation.

One member named John, borrowed money at my Credit Union many times over the years and he had a financial plan in place-already had life insurance. At the time of his last 2 loans he opted to purchase the life insurance on both loans, at the age of 42 years old he had an auto accident which killed him-I lost a good member-she lost a husband, father and a well needed household income. Although he had life insurance it took quite a while for that insurance company to pay his wife, our CUNA life insurance paid off the 2 loans very quickly. (This member had very good credit.)

Myron and his wife Marilyn had excellent credit and many loans at our credit union, they also have a financial plan in place. Financial plans are made and then sometimes our financial position changes after that. Myron did not normally purchase the additional insurance coverage. On the purchase of a new auto Myron said that he and Marilyn were going to purchase 2 new autos which should be the last 2 that they need before retirement. He considered the insurance coverage of life and disability saying that "well we are not getting any younger" and decided to cover both new car loans with insurance. After 10 months of payments Myron had a heart attack with much damage done and was unable to return to work, one month after Myron's heart attack his wife-who was a nurse-also had a heart attack and was put on permanent disability. Within one month of time they lost both incomes in their household. Both autos-new- with only 10 months paid on them-have been paid completely thru the disability insurance coverage-what a blessing that was for them.

I feel that the disclosures make these products sound undesirable and not needed. That opinion is in the eye of the beholder and should not be judged by anyone but the purchaser of the product. I do not judge if a member needs a product or not I always offer what I have and inform members that they are not required to purchase insurance to receive their loan. For some people this is the most affordable insurance that they will have to cover themselves and their families.

Please don't allow your "perfect credit" "perfect life" attitude to propose changes that will discourage people from a product that may become their saving grace. Allow people to make decisions on an as needed basis. I work in an environment where I talk to and try to help these people every day. I see members that need these products- I allow them to decide for themselves.

I am in opposition to these changes because the format is negative in every section that I see. Statements in this new disclosure are a matter of opinion: other insurance may be less expensive-how would you know that? We do not know members medical history and if they can purchase other insurance? You may not receive benefits-well I purchased life insurance on my own loan here at the Credit Union and I certainly hope that I do not receive benefits from this! That would mean I'm dead, but if I do pass away I would like my loan paid off for my family-it will make their life easier. I have another policy which is more than enough to pay off our entire household debt at this time which will be used for whatever is needed. Cost of product per month-figures that are not exact should not be used. In banking and lending exact figures are necessary.

Thank you for your time and attention on this matter. I appreciate your understanding on the impact these changes will make in communities where these types of insurance matter.

Sincerely,

Joanne Smith  
Loan Officer/Asst Mgr  
Brewster Federal Credit Union