



You can and you should.

December 22, 2010

Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, N.W.
Washington, D. C. 20551

RE: Docket No. R-1390
Proposed Changes to Credit Insurance and Debt Protection Disclosures
under Reg. Z

Dear Board of Governors:

I am writing in hopes that you will reconsider the proposed amendments to Reg. Z in terms of payment protection products. While I believe your intent was to ensure more disclosure and to prevent deceptive sales techniques, I do not agree with the manner in which the sample disclosure portrays the products. In some cases, the sample disclosure is grossly inaccurate and misleading.

I have a part of the credit union movement for almost thirty years and I have seen numerous instances in which a paid claim, whether for credit life, disability assisted the member or it's beneficiary in a very meaningful way. I cannot recall one instance in which the claimant ever wished they had not voluntarily selected the coverage.

Keep in mind, payment protection and debt cancellation products are voluntarily and a decision that only the consumer or credit union member can make. As a financial institution we have a fiduciary responsibility to offer services to our members that may protect them if they so choose to be protected. Making sure members are educated about the product, its cost and terms are all extremely important. That is why DATCU's staff receives training at a minimum of once per year. The sample disclosure provided negatively portrays these products. Instead of creating a document that allows the consumer to make an educated or more informed decision, the sample disclosure is written to persuade them not to purchase, whether with our institution or any other.

If you believe additional disclosures are needed, I strongly urge you to review the tone in which the disclosure is worded. To simply state, "you may not need this product" and "other insurance can give you similar benefits and are often less expensive" are not only misleading but are not true in all circumstances.

P.O. Box 827 Denton, TX 76202-0827



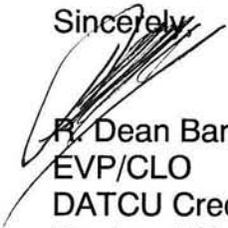
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Insurance coverage can be written on an individual or on a group basis. Depending on your medical history and other underwriting criteria, a person's individual premium may be higher or lower than what the financial institution's group basis coverage is offering. To simply state "are often less expensive" is inaccurate.

Additionally, the cost per month is misleading. DATCU Credit Union charges premium on a declining balance method. Therefore, an insured only pays premium on the amount outstanding and for only the length of time it is outstanding. Since most loans balances decline, so does the cost of insurance. It is not fair to state it will cost you X amount per month when in effect it is based on the principal balance owed.

In conclusion, I urge you to reconsider the sample disclosure and draft in a manner that will better educate the consumer of the products.

Sincerely,



R. Dean Barnes, Jr.
EVP/CLO
DATCU Credit Union
Denton, TX