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2/8/2011

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Subject: Regulation Z; Docket No. R-1366, Truth in Lending Revised Interim Rule

Comment date 2/08/2011:

Many institutions that provide credit insurance products to their installment loan customers started providing the Closed End Monthly Outstanding Balance (CEMOB) financed insurance. The premium is assessed monthly, on a declining balance and is calculated into the monthly principal and interest payment. It is amortized based on the outstanding balance; as principal is reduced the premium reduces accordingly.

Under the Interim Rule effective 10/25/2010 with requirements optional until 1/30/2011, and the Revised Interim Rule effective 1/30/2011 with compliance mandatory 10/01/2011, the interest rate and payment summary table does not allow for this monthly premium to be included and does not clarify a method to disclosure that is acceptable to be in compliance with the Truth in Lending Act. Please provide clarification and detail on whether this type of credit insurance is permitted to be used for the dwelling secured and real estate secured transactions; and if it is permitted to be used, the method to disclosure the premium that is acceptable and conforms to the interest rate and payment summary table.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Sally A. Koontz".

Sally Koontz, CRCM
Compliance Loan Group Manager
Susquehanna Bancshares, Inc.