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

Re: Regulation Z Docket No. R-1417
RIN No. 7100-AD 75
Ability to Repay

Dear Ms. Johnson:

I am writing on behalf of Aon Integramark, a debt cancellation service provider for the lending industry. Our comments relate to the proposed revisions to Regulation Z relating to the calculation of “points and fees” in Section 226.32 of Regulation Z in the context of the Ability to Repay proposed regulations. The revisions to Regulation Z are in response to the amendment of the Truth in Lending Act’s definition of points and fees by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Dodd-Frank Act adds a new subparagraph (D) to 15 U.S.C. § 1601(aa)(4) regarding the items included in points and fees reading as follows:

(D) premiums or other charges payable at or before closing for any credit life, credit disability, credit unemployment, or credit property insurance, or any other accident, loss-of-income, life or health insurance, or any payments directly or indirectly for any debt cancellation or suspension agreement or contract, except that insurance premiums or debt cancellation or suspension fees calculated and paid in full on a monthly basis shall not be considered financed by the creditor;

Dodd Frank Act Sec. 1431.

The proposed revisions to Regulation Z Section 226.32(b)(1) defining points and fees revises item (iv) and follows the language above but omits the last clause reading “except that insurance premiums or debt cancellation or suspension fees calculated and paid in full on a

Ms. Jennifer J. Johnson
May 11, 2011
Page 2

DREHER TOMKIES SCHEIDERER LLP

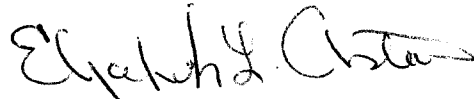
monthly basis shall not be considered financed by the creditor.” Aon requests that this clause be added to Section 226.32(b)(1)(iv) for clarity and consistency with the Truth in Lending Act.

The commentary to Section 226.32(b)(1)(iv) Comment 1 revised by the proposal addresses debt cancellation. The language of the clause regarding insurance premiums or debt cancellation or debt suspension fees calculated and paid in full on a monthly basis should be included in the commentary. The proposed comment leaves the existing sentence reading such charges are also included “whether the amount represents the entire premium or payment for the coverage or an initial payment” in the comment. To avoid potential confusion, a new sentence reading “such charges do not include insurance premiums or debt cancellation or suspension fees calculated and paid in full on a monthly basis” should be added to Comment 1. This language is contained in the Truth in Lending Act and clarifies the comment.

Aon supports Comment 1 to Section 226.43(b)(8) and Comment 1 to Section 226.43(c)(2)(v) that clarify that the creditor need not include premiums for mortgage-related insurance that it does not require, such as earthquake insurance or credit insurance, or fees for optional debt suspension and debt cancellation agreements, in calculating “mortgage-related obligations,” used in the repayment ability analysis.

Aon Integramark and I appreciate your consideration of this comment letter as part of the Board’s review of the ability to repay a mortgage provisions of Regulation Z. Please do not hesitate to contact me if you have any questions or would like additional information.

Very truly yours,



Elizabeth L. Anstaett

cc: Tom Ostenson, Esq.
Darrell L. Dreher, Esq.