

December 20, 2001

Dirk J. Miller, President
J.T. Miller Company, Inc.
8085 Wayzata Blvd.
Suite 201
Minneapolis, MN 55426

Re: Second Mortgage Insurance Product.

Dear Mr. Miller:

You asked that we review a product description for the Processors Liability Policy (PLP), which your company is marketing to credit unions. The product is an insurance policy designed to protect a lender's lien position. While we know of no law prohibiting credit unions from purchasing the PLP coverage, we can provide no opinion on the validity or usefulness of your product.

You indicate that your PLP coverage serves as a substitute for a title search, because it relies on an owner's affidavit, credit report and loan application. The National Credit Union Administration (NCUA), along with other financial regulatory agencies, has adopted a regulation governing the sharing of nonpublic personal information about consumers. 12 C.F.R. Part 716. Credit unions purchasing your product must comply with the requirements of our consumer financial privacy regulation if they transfer any nonpublic personal information to you. We suggest you review the regulation's limitations on reuse and re-disclosure of that information, 12 C.F.R. §716.11, and any applicable state laws.

Sincerely,

Sheila A. Albin
Associate General Counsel

OGC/DMS: bhs
SSIC 3000
01-1076

cc: David Marquis, Director
Office of Examination & Insurance