

From: [Phillip Matous](#)
To: [Regulatory Comments](#)
Cc: vam@mcu.org
Subject: Phillip Matous: Comments on Notice of Proposed Rulemaking (CUSO)
Date: Wednesday, August 10, 2011 5:34:37 PM

Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

1. Do you support the proposed reporting requirements that would require all CUSOs to file reports directly with NCUA and/or the appropriate SSA (which would include information such as the CUSO's balance sheet and income statement)? If not, why not? **Yes. I think this makes good sense.**
2. Do you support the proposal that would make it a condition of federal share insurance for FISCUs to require their CUSOs to agree: (a) to give NCUA access to its books and records; (b) prepare quarterly financial statements and an annual audit under GAAS; and (c) follow GAAP accounting? If not, why not? **Yes. This also makes good sense. While the CUSO and the CU are legally separate entities, the CU set up the CUSO to provide services not available under the powers of a CU. Were the CU able to provide those services directly, such services would be governed by GAPP.**
3. Do you support the proposed expansion of the existing rule that requires less than adequately capitalized credit unions to seek supervisory approval before making CUSO investments - to apply to all FICUs? If not, why not? **Yes, I do. That makes good sense. However, a decision should not be prolonged. If a CUSO is in need of liquidity, it could fail if the liquidity is not quickly forthcoming. Consequently, the review process should be expedited and not require several layers of approval by SSA or NCUA.**
4. Do you think that the proposed "exemption" that SSAs can seek for FISCUs is a meaningful exemption? If not, how could the "exemption" be improved? **Yes. After all, the SSA is the first line of responsibility for FISCU/**
5. Do you support the proposed approach to treating subsidiaries of CUSOs as "subsidiary CUSOs" subject to NCUA's CUSO regulations to the same extent as a normal CUSO? **Yes. This makes very good sense as well, for reasons stated in 2 above.**

Cordially,

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