



National Cooperative Business Association

August 15, 2011

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

Re: Comments to proposed amendment to NCUA regulations: CUSOs 12 CFR parts 712 and 741

Dear Ms. Rupp:

Please be advised that the National Cooperative Business Association (NCBA) opposes the above referenced amendment to the National Credit Union Administration (NCUA) regulations regarding Credit Union Service Organizations (CUSOs). CUSOs help credit unions earn and save millions of dollars under the current regulatory model. With the proposed amendment to the CUSO regulations, the revisions will be costly and detrimental to the credit union service industry and to credit unions.

If implemented, the proposed revisions will stifle the ability of CUSOs to innovate and provide collaborative solutions that will sustain credit unions. They will not provide recognizable regulatory value beyond what already exists, especially for CUSOs that are regulated by other financial services regulators. Additionally, NCUA does not have regulatory authority over CUSOs, yet this proposal requires CUSOs to provide financial information directly to NCUA who will retain and evaluate the information.

Further, CUSOs will be placed at a competitive disadvantage with non-CUSO competitors by exposing private business information to the public through FOIA requests. CUSOs are the collaborative arm of credit unions trying to solve operational and financial issues for credit unions. Credit unions should not have unnecessary hurdles placed in their path as they seek solutions to their sustainability.

Founded in 1916, NCBA is the national voice for cooperatives with the mission of developing, advancing, and protecting cooperative enterprise. On behalf of over 29,000 cooperative businesses including 7,500 credit unions with 91 million consumer owners, we ask the NCUA to withdraw the proposed amendment.

Sincerely,

A handwritten signature in black ink that reads "Paul Hazen".

Paul Hazen,  
President and CEO