

# ELI LILLY FEDERAL CREDIT UNION

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Mary Rupp, Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428  
Email: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

August 24, 2011

Re: Comments to the Proposed Amendments to the NCUA Regulations re: CUSOs 12 CFR Parts 712 and 741

Dear Ms. Rupp:

Eli Lilly Federal Credit Union opposes the above referenced Amendment to the NCUA Regulations regarding CUSOs.

We object to the additional NCUA staffing and operation costs that would be handed to credit unions with no tangible benefit. There is no evidence that CUSOs pose a systematic risk to credit unions that requires regulatory change. The aggregate amount invested in and loaned to CUSOs is only 22 bps of industry assets. Each credit union's CUSO investment risk is less than 1% of its assets. We question how this represents "systemic risk" to the industry, when the total aggregate investment in and loans to CUSOs is considerably less than the annual corporate stabilization assessments in any of the last three years.

Likewise there is no evidence that the banks' regulatory authority over bank operating subsidiaries mitigated bank losses in the economic crisis, and NCUA's bid to follow suit appears unjustified and unnecessary. NCUA already has the ability to examine the books and records of CUSOs and exercise full leverage over the credit union owners to resolve any safety and soundness issues.

Now is the time for our government and its agencies to fulfill the promise to seriously weigh the cost/benefit of additions to the mushrooming compliance burden that is draining credit union resources from the mission of serving members.

We ask the NCUA to withdraw the proposed Amendment.

Sincerely,

Lisa A. Schlehuber  
CEO, Eli Lilly Federal Credit Union  
Board Member: Co-Op Financial Services

cc. The Honorable Debbie Matz, Chairman  
The Honorable Michael Fryzel, Board Member  
The Honorable Gigi Hyland, Board Member