

✓

## *Gratiot Community Credit Union*

---

**211 West Center Street  
Alma, Michigan 48801-2297**

Gratiot Community Credit Union  
211 W Center St  
Alma, Mi 48801

September 16<sup>th</sup>, 2011

SEP20'11 PM 3:32 BOARD

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

Ms. Rupp:

As a credit union CEO, I wish to express my opposition to the NCUA proposal to amend the regulations for credit unions service organizations (CUSOs), 12 CFR Parts 712 and 714. CUSOs are independent corporations owned by credit unions and provide backbone services for the credit union industry through data processing and other relevant services. The NCUA has admitted they have no enforcement power over CUSOs and other third party vendors servicing the credit union industry.

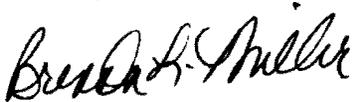
The proposed rule would require all CUSOs to file quarterly reports not only with the NCUA but in every state where a credit union has ownership in a CUSO. In practice, this means a CUSO with a national presence would have to file quarterly reports with dozens of states. This requirement is costly and unduly burdensome not only to the CUSO, but also to the states that receive these quarterly reports.

Furthermore, the NCUA already has indirect supervisory ability through their direct oversight of credit unions. The NCUA can request the financials of credit unions and the financials of every investment the credit union has made. Thus the NCUA already has all the information needed to provide credit union with guidance regarding CUSO investments.

Please vote no against this proposed regulation. The proposal does not effectively address any key concerns within the credit union industry, and merely adds unnecessary burdens to CUSOs, devaluing our credit union investment. Because credit unions are owned by our membership, anything harmful to the credit union ultimately is harmful to our members.

Thank you very much for your time and consideration.

Sincerely,



Brenda Miller  
General Manager  
Member owned Credit Union  
Office Hours: Monday-Thursday 9am - 5pm



Serving Gratiot County since 1955 • FAX (989) 463-8324  
Friday 9am - 6pm • Saturday 9am - 1 pm