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September 14, 2011

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

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

Dear Ms. Rupp:

Please be advised Advantage Credit Union opposes the above referenced amendment to the NCUA Regulations regarding Credit Unions Service Organizations (CUSOs).

There are countless examples of how CUSOs have been instrumental to the credit union industry's ability to enhance the financial well being of members. We are concerned that the proposed amendment will greatly inhibit our ability to continue to create and access these solutions.

It's not that we don't understand the need for oversight, but that it is already inherent in any transaction with a CUSO. Each time a credit union loans, participates or invests in a CUSO, NCUA has the authority to provide oversight to the transaction. It is our understanding that through this process NCUA has access to comprehensive information – enough to work with the credit union to ensure the transactions meet safety and soundness standards. However, if the new amendment suppresses the industry's ability to collaborate and partner through CUSOs to provide industry products, where do we turn? Do we turn to solutions that provide other products and services in direct competition with our own?

We also express concern about NCUA's plan to provide adequate oversight and how NCUA plans to address the costs associated with hiring and training specialized regulators. In an era where all businesses are focused on running as lean as possible, the additional costs of the proposed CUSO rule in staffing and operational budget of NCUA is an unjustified and unnecessary expense for the industry. If NCUA expects to hire experts in every type of business CUSOs engage in, the costs will be staggering.

We do understand this amendment has its roots in recent industry events, but we believe it is not the solution necessary. The long-term ramifications outstrip any short-term benefits, and frankly, we cannot see any. We do not dismiss the severity of the problems that arose in various places in the country during the past few years, but it is our belief there is not a larger problem. Most certainly, any concerns should not rise to the level of a systemic risk for the credit union industry.

We ask the NCUA to withdraw the proposed amendment.

Sincerely,

Corinne Coyle
President

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