

September 23, 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 Reg's re CUSO's

Dear Ms. Rupp:

Please be advised that Viriva Community Credit Union opposes the above referenced amendment to the NCUA Regulations regarding CUSO's for the reasons outlined below.

As a minority owner in several different CUSO's, including business lending, shared branching and real estate services, I feel your proposal will limit the ability of CUSO's to provide innovative and collaborative solutions to both new and existing service and compliance related issues affecting the industry. The reason being that, if implemented, natural person credit unions (NPCU's) will be foremost concerned about appeasing the new regulatory hurdles versus properly analyzing the respective CUSO to see if it resolves the problem at hand in a cost beneficial manner.

Additionally I believe NCUA is going down a slippery slope, as it veers towards overstepping its authority to implement such regulations. While I understand the concern with business lending CUSO's NCUA already has the ability to examine the books and records of all CUSO's and use its leverage to address such issues. This, in and of itself, should be sufficient regulatory powers.

Other concerns include the additional financial burden implementation will place on an already struggling credit union industry in regards to additional staffing that may be required by NCUA in CUSO related fields, as well as the limitation on NPCU's with capital levels below 6% to invest in CUSO's, as said investment may ultimately represent a means to capital improvement.

Sincerely,

James F. McCaw
President/CEO