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September 23, 2011

Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 223154-3428

Dear Ms. Rupp:

**Re: Comments to the Proposed Amendments to the NCUA Regulations re:
CUSOs 12 CFR parts 7-12 and 741**

Provident Credit Union is very much opposed to the proposed regulation changes that increase the burden on credit unions trying to offer the best possible range of products and services to their members. Provident has operated a CUSO since the mid-1980s for the purposes of offering expanded non-traditional tier three products and services, namely insurance and investment products.

The NCUA already has the authority to examine the records of our CUSO, or any CUSO, and has full authority to act to resolve any financial soundness issue. If it is the risks involved with business lending that are driving this regulatory change, it is misguided when business lending is under 1% of all U.S. credit union CUSOs. The products administered under our CUSO and its broker-dealer partner are insurance and investment products, which are already highly scrutinized by the SEC and California Department of Insurance.

We continuously struggle as a credit union industry to attain the same degree of efficiencies as our bank competitors. Imposing yet another level of reporting and additional overhead costs continues to widen the gap.

We serve over 90,000 Bay Area members. On their behalf we request you withdraw the proposed Amendment.

Yours truly,

Heidi Parks
Vice President