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September 23, 2011

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

Re: Comments on proposed amendments to CUSO Rules Part 712 of NCUA Rules and Regulations.

Dear Ms. Rupp:

On behalf of South Carolina Federal Credit Union and South Carolina Financial Solutions, LLC, I am writing to oppose the above referenced proposed amendments. Specifically, the requirement for CUSOs to submit financial reports directly to NCUA is unnecessary and will cause undue burden and expenses to those that are already regulated by others such as insurance regulators, SEC, and others.

NCUA currently has strict requirements for federal credit unions to follow when investing in a CUSO and has the authority to inspect the CUSOs financial records at any time. Any CUSO information could be reviewed during the federal credit union examination to determine safety and soundness issues that need to be addressed.

CUSOs allow federal credit unions the opportunity to offer products and services to our members that we otherwise couldn't offer. They also allow us the opportunity to invest in operational CUSOs to provide services to other credit unions, often reducing operating expenses while helping others. Imposing requirements on CUSOs to submit financial reports to NCUA will impede our ability to do business with CUSOs and therefore, limit this ability and the non-interest income associated with it.

Thank you for the opportunity to comment on this proposal.

Sincerely,

Bonnie Ciuffo, CPA, CIA
Chief Information Officer

President, South Carolina Financial Solutions, LLC

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P.O. Box 190012, N. Charleston, SC 29419-9012, Tel: 843-797-8300, Toll Free: 800-845-0432

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