

January 23, 2006

JAN25'06 PM12:02 BOARD

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

Re: Proposed Rulemaking – Third-Party Servicing of Indirect Vehicle Loans

Ms. Rupp:

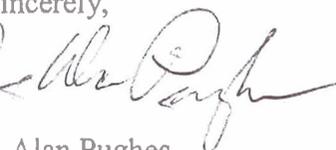
We appreciate the opportunity to provide our comments regarding the Board's proposed rules relating to limits on indirect, out-sourced programs. While the points of concern raised throughout the supplementary information may be relevant to some credit unions, we believe implementation of uniform limits on these types of loans is an inappropriate method of NCUA addressing these concerns.

As mentioned in the background section of the notice, NCUA has discussed their concerns in several issuances thus far, including two letters to credit unions and a risk alert. Further, NCUA examiners scrutinize these programs during standard examinations and have even conducted special examinations targeting specialized lending activities. NCUA's previous issuances, examinations and the notice of proposed rule-making all focus on the credit union's need to implement adequate controls and proper due diligence.

Several statements throughout the discussion of the proposed rule appropriately indicate that even with loan limits in place, credit unions still face risks which require the continued application of due diligence and controls in order to mitigate.

It is our view that implementing industry-wide loan limitations addressing "potential" safety and soundness concerns is unnecessary. We feel the existing guidelines provide adequate protection for credit unions utilizing third-party servicing firms for indirect loans and that sufficient NCUA enforcement actions already exist. For this reason, we do not believe any additional rulemaking is necessary to protect credit unions.

Sincerely,



Alan Pughes
President/CEO