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P.O. Box 10018 Manhattan Beach, CA 90267

August 12, 2005

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

Re: Requirements for Insurance (Purchase of Assets/Assumption of Liabilities)

Dear Ms. Rupp:

On behalf of our 120,000 member-owners throughout the U.S. who have entrusted us with \$1 billion in assets, Western Federal Credit Union (Western) appreciates the opportunity to comment on the Agency's proposed changes to Part 741 of NCUA's Rules and Regulations dealing with purchases of assets and/or assumption of liabilities by federally insured credit unions. Western can support the proposed changes and encourages the Agency to make one technical change.

As our credit union has completed a transaction with another federally insured credit union involving the physical transfer of branches and the assumption of liabilities (member shares), we believe that the Agency's decision not to require additional paperwork and/or approval is appropriate. The risk to the National Credit Union Share Insurance Fund did not change. Yet the members involved benefited from their new credit union's local focus and better local branch network.

Western does suggest that a change be made to proposed new Section 741.8 (c) of the Rules and Regulations. Our suggestion is to change the language to reflect the credit union seeking approval of a transfer of assets/liabilities as required with Section 741.8 be from the regional director where the credit union is headquartered rather than operates.

For example, Western is part of Region V because we are headquartered in California. Yet, we have branch operations in Texas, Arkansas, and Virginia that are outside Region V. It would be appropriate for Western to obtain approval from Region V even if a purchase of assets and/or assumption of liabilities occurs outside the geographic boundaries of Region V.

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Conclusion

If I can be of any assistance to you in this matter, please feel free to contact me at 310.536.5330.

Sincerely,



Greg Badovinac
Compliance Officer