

YOUNG, SHERON

From: RUPP, MARY F
Sent: Monday, October 03, 2005 9:51 AM
To: YOUNG, SHERON
Subject: FW: Barbara Sheffield Comments on Proposed Rule Part 741

-----Original Message-----

From: Barbara Sheffield [mailto:BKS@mccu.org]
Sent: Wednesday, September 28, 2005 11:37 AM
To: _Regulatory Comments
Cc: syashewski@tcu.coop
Subject: Barbara Sheffield Comments on Proposed Rule Part 741

This letter is in response to the Request for Comments on proposed changes to part 741 governing activities and investments of state chartered federally insured credit unions. I am the CEO of a state chartered credit union in Texas, so your proposed rule would have an impact on our operations.

I do not believe NCUA should enact rules that limit a state's ability to determine the appropriateness of state credit union activities and investments and the manner in which those activities are conducted and those investments are made, unless it establishes a compelling reason that is supported by empirical data and shows that it has fully analyzed the impact of the change.

It is unclear why NCUA is proposing this rule change. Safety and soundness concerns were cited as a rationale in the rule, yet there were no specific citations to any actual circumstances or types of investment activities of FISCUs that represent such concerns to NCUA or NCUSIF.

In my view, NCUA's proposed modifications, which will restrict the activities by state credit unions, is unwarranted and unnecessary. Please consider modifying the proposal with recognition given to the sovereignty of state regulators and their authority and responsibility to regulate their credit unions.

Sincerely,

Barbara Sheffield
President/CEO
Members Choice Credit Union
Houston, Texas