

From: [Greg Wischmeyer](#)
To: [Regulatory Comments](#)
Subject: Greg Wischmeyer commenting on proposed rule (CUSO)
Date: Wednesday, August 03, 2011 11:43:13 AM

QUESTIONS TO CONSIDER REGARDING THE PROPOSAL

1. Do you support the proposed 12 C.F.R. § 712.3(d) reporting requirements that would require all CUSOs to file reports directly with NCUA and/or the appropriate SSA (which would include information such as the CUSO's balance sheet and income statement)? If not, why not?

*We do not support. CUSO is not a credit union. We are a service organization that happens to give service to credit unions. NCUA is over reaching its boundries into business that it was not chartered for. We don't need more reports and added expense.

2. Do you support the proposed revisions to 12 C.F.R. § 712.3(d) and § 741.222 that would make it a condition of federal share insurance for FISCUs to require their CUSOs to agree: (a) to give NCUA access to its books and records; (b) prepare quarterly financial statements and an annual audit under GAAS; and (c) follow GAAP accounting? If not, why not?

*More regulation, more paper, more staff time on reports and more expense to our small CUSO. We do not support.

3. Do you support the proposed expansion of the existing 12 C.F.R. § 712.2(d)(3) "Special Rule in the Case of Less than Adequately Capitalized FCUs"—which requires less than adequately capitalized credit unions to seeks supervisory approval before making CUSO investments—to apply to all FICUs? If not, why not?

*Yes we support.

4. Do you think that the proposed "exemption" that SSAs can seek for FISCUs pursuant to 12 C.F.R. § 712.10 ("How Can a State Supervisory Authority Obtain an Exemption for FISCUs from Compliance with § 712.3(d)?") is a meaningful exemption? If not, how could the "exemption" be improved?

*No.

5. Do you support the proposed approach to treating subsidiaries of CUSOs as "subsidiary CUSOs" subject to NCUA's CUSO regulations to the same extent as a normal CUSO?

*No

6. NCUA's Paperwork Reduction Act analysis does not provide estimates of the proposal's regulatory burden on CUSOs, but does provide the following paperwork-related regulatory burden estimates for credit unions:

A one-time, one hour regulatory burden on FISCUs for changing their written agreements with CUSOs regarding accounting and reporting requirements;

A one-time, one hour regulatory burden on FCUs for changing their written agreements with CUSOs regarding reporting requirements; and

A one-time, two hour regulatory burden on less than adequately capitalized FISCUs with a CUSO interest to complete a request for approval to recapitalize an insolvent CUSO.

*NCUA did not perform a Regulatory Flexibility Act analysis because "NCUA has determined . . . that the final rule will not have a significant economic impact on a substantial number of small credit unions." (NCUA defines "small credit unions" as credit

unions with less than \$10 million in assets.)

Please consider these questions regarding NCUA's regulatory burden analyses:

a. Do you think that these paperwork regulatory burden estimates are accurate, or do they underestimate this rulemaking's burden on credit unions?

*Hard to tell. May or may not be reasonable. Anytime there is more regulatory reporting there is always more time spent trying to figure them out because they make the new reports tool complicated with way too much detail.

b. What is your credit union's estimate of the proposal's likely regulatory burden on your institution (including paperwork as well as other regulatory burdens)?

*Too much time on paperwork for NCUA and not enough time on our members financial needs.

c. Should NCUA also consider the proposal's impact on CUSOs as well as its impact on credit unions?

*Yes. Our CUSO does not need more regulation burden and more reports to keep NCUA staff busy.