

August 23, 2011

Business Lending Group LLC

FINANCIAL SOLUTIONS FOR BUSINESS

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Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexander, VA 22314-3428
Email: regcomments@ncua.gov

Re: Comments to the Proposed Amendments to the NCUA
Regulations re: CUSOs 12 CFR Parts 712 and 741

Dear Ms. Rupp:

Please be advised that the Business Lending Group LLC opposes the above referenced Amendment to the NCUA Regulations regarding CUSOs for the following reasons.

NCUA already has access to the information through their review of its owner credit unions. This regulation will be redundant and unnecessarily burdensome. Our CUSO is owned by a small number of credit unions. At least annually each of the credit unions are examined which includes complete access to the CUSO records. In addition the CUSO has also had direct examinations by the regulators. NCUA already has the ability to examine the books and records of CUSOs and exercise full leverage over the credit union owners to resolve any safety and soundness issues.

Each credit union's CUSO investment risk is less than 1% of its assets. NCUA cannot make the case that CUSOs had anything to do with the financial difficulties in the credit union industry.

NCUA's legal authority to approve the proposed regulatory changes is suspect. NCUA does not have regulatory authority over CUSOs yet this proposal requires CUSOs to provide financial information directly to NCUA which NCUA will retain and evaluate. This looks and feels like vendor authority and direct regulation of CUSOs which has not been authorized by Congress.

The additional costs of the proposed CUSO rule in staffing and operational budget of NCUA is an unjustified and unnecessary expense the industry will have to bear. If NCUA expects to hire

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CitizensFirst Credit Union
Fox Communities Credit Union
Pioneer Credit Union

experts in every type of business CUSOs engage in, the costs will be staggering.

We ask that NCUA to withdraw the proposed Amendment.

Very truly yours,

A handwritten signature in black ink, appearing to read "Linda Kennedy", with a long horizontal flourish extending to the right.

Linda Kennedy
President and CEO

cc. The Honorable Debbie Matz, Chairman
The Honorable Michael Fryzel, Board Member
The Honorable Gigi Hyland, Board Member