

Co-operative | PAYROLL  
SOLUTIONS, LLC

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September 20, 2011

SEP26'11 AM11:00 BOARD

Mary Rupp, Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexander, VA 22314-3428  
Email: [regcomments@ncua.gov](mailto: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 Co-Operative Payroll Solutions, LLC opposes the above referenced Amendment to the NCUA Regulations regarding CUSOs for the following reasons.

NCUA's regulatory requirements will add additional resource burdens on Co-Operative. We currently provide a consolidated financial statement to our investor credit unions. We also provide financial information and review documents as requested during their NCUA examinations. Additionally, financial statements and audit documents are submitted to any credit union that uses our services as part of their third party vendor management program.

We feel that your additional reporting request is a duplicate of these efforts and unnecessary. We will still have to report to our individual credit union owners as well as the individual client credit unions. However, our largest concern is with the request for our client list. Our clients compromise more than just credit unions. They include Select Employee Groups and business clients of credit unions. These clients will have to be informed of the disclosure of information pertaining to them. Additionally, this puts us at risk with this information being accessible through an FOIA request.

We are also concerned with comments that were made at the NACUSO annual conference by Ms. Hyland. Ms. Hyland indicated this information may be used to rank CUSOs as a vendor. Imagine being ranked a 3, but NCUA not able to provide rankings on our competitors. A potential client would not know the relevance of a 3 ranking. The inability to articulate the use of the additional data by NCUA is very disturbing. We believe the proposed changes are a direct violation of the corporate separation between insured products (Credit Unions) and non-insured (CUSOs).

The systematic risk that is referred to for these changes appears to be overstated. Investments in CUSOs only represent 22 bps of credit union assets. Utilizing multiple credit union investors helps minimize the risk to one institution. Your proposed regulations will diminish the ability for credit unions to participate in CUSO investments, thus reducing the collaborative innovation that is needed for credit unions to survive.

I hereby formally request NCUA to withdraw the proposed amendment and prevent duplicate regulatory burden to our CUSO and credit union owners.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Crouse', written over a horizontal line.

Ray Crouse, Chairman

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