



SEP26'11 AM11:00 BOARD

September 20, 2011

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

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

Dear Ms. Rupp:

Altura Credit Union opposes the above referenced Amendment to NCUA's Regulations regarding CUSOs. We have been watching the conversation and we oppose this effort for the following reasons:

Our credit union owns and uses the services of several CUSOs to provide financial services, consumer services (*Auto Brokerage services and Insurance services*) and investment services to our Members and we have done so for many years. In a period like today, when the generation of revenue for credit unions has been greatly challenged, CUSOs provide an alternative income source that has never been more highly valued.

In addition, we have long been supporters and investors in numerous of our industries' CUSOs; the CO-OP, FSCC, PSCU and the like. Not only have these associations contributed to Member convenience and loyalty, Altura has also benefited from patronage dividends over the years - another benefit of ownership.

We recognize the perceived need of the NCUA to control this area of credit union commerce, however there is no evidence that CUSOs pose a systematic risk to credit unions that would require such a regulatory change. NCUA already has the ability to examine the books and records of CUSOs and exercises full leverage over the credit union owners to resolve any safety and soundness issues. Furthermore, NCUA cannot make the case that CUSOs had anything to do with the financial difficulties facing the credit union industry.

Additionally, the costs of the proposed CUSO rule on staffing and the operational budget of the NCUA is an unjustified and unnecessary expense for the industry to bear. If NCUA expects to hire experts in every type of business

in which CUSOs engage, the costs will be prohibitive. In this day and age, speculative costs to deliver an unclear benefit must be avoided. That has been NCUA's message to our credit union and it is our message to you.

Finally, imposing regulatory burdens on CUSOs puts them at a competitive disadvantage with non-CUSO competitors. NCUA would like CUSOs to submit their business plans, balance sheets, income statements and customer lists. In gathering and holding this information, NCUA puts CUSOs at a competitive disadvantage by exposing confidential business information to public dissemination through FOIA requests. Our non-CUSO competitors do not face this burden. In addition, the costs and time necessary to respond to the increased regulation from the NCUA will be cost prohibitive.

We see the proposed Amendments as having a detrimental effect on Altura and its CUSO operations and on other credit unions nationwide; as a result, we strongly urge the NCUA Board to withdraw this proposal.

Thank you the opportunity to share my thoughts.

Best regards,



Mark Hawkins  
President/CEO  
Altura Credit Union