

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

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

Dear Ms. Rupp,

Thank you for the opportunity to respond to the NCUA's proposal to expand the reporting requirement for credit union service organizations (CUSOs). As an organization that has a deep history in the cultivation and operation of successful subsidiary operations, it should come as no surprise that we, as a Board of Directors, are opposed to any additional regulatory oversight that either directly or indirectly restricts our ability to fairly compete in the marketplace. We believe your proposal creates such an environment.

We have read and contemplated many of the arguments presented in response to the proposed regulation. These include but are not limited to:

- The creation of an unfair competitive landscape due to regulatory burden on CUSOs.
- Questioning of whether NCUA has presented the "systemic risk" argument to our industry in an honest and informed manner.
- Concerns over whether there is any legitimate statutory authority to examine CUSOs.
- Issues surrounding NCUA's apparent lack of adequate understanding of the purpose and/or intent of CUSOs.

For us, all of these concerns are legitimate. We also recognize that the credit union industry evolves to meet consumer needs through the innovative efforts of a very small group of entrepreneurial organizations. The lion's share of work falls under an umbrella that includes Filene Research Institute and a list of CUSO implementers who bring scale and collaboration to our industry. This small cadre of innovators provides the credit union movement with a critical brain-trust moving our industry forward.

We view your proposal as a next step toward the full regulation of CUSOs. A regulated environment runs contrary to the spirit of innovation that has been firmly rooted in our subsidiary companies. Respectfully reconsider your position.

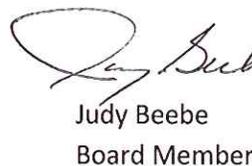
Thank you,



Joe Phillippay  
Board Chair



Jeff Antrican  
Board Member



Judy Beebe  
Board Member



Phyllis Guile  
Board Member



Tom Marks  
Board Member

