

AlaskaUSA Federal Credit Union®

September 26, 2011

Ms. Mary Rupp
Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

Re: Proposed Rulemaking (CUSO), 12 C.F.R. Parts 712 and 741; 76 Federal Register 44866

Dear Ms. Rupp:

This letter represents the views of Alaska USA on NCUA's proposal to amend Parts 712 and 741 of its credit union service organization (CUSO) regulation.

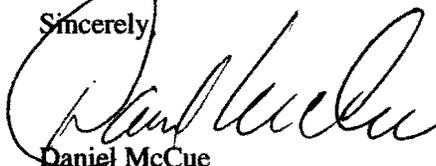
The proposal to amend NCUA CUSO regulations includes individual provisions that would limit the ability of Alaska USA CUSOs to provide new products and services, streamline operations and enhance delivery systems. CUSOs as a whole do not pose a systemic risk to the credit union system or concerns to the National Credit Union Share Insurance Fund (NCUSIF). NCUA should target its amendments of the CUSO regulation to demonstrated problem areas instead of proposing a comprehensive regulation that may stifle well-managed and operated CUSOs.

In particular, Alaska USA is concerned with NCUA's recent efforts to make new requirements a condition of NCUSIF coverage of a federally insured credit union's members' accounts. The proposal would include requirements for financial statements and financial audits to be prepared under GAAP and GAAS. Federally insured credit unions lending to or investing in CUSOs must meet these conditions or risk losing NCUSIF coverage. We urge the agency to delete the reference to NCUSIF coverage and to refrain from invoking the extraordinary step of loss of NCUSIF coverage from future regulatory requirements. This action is not necessary to ensure compliance by credit unions since the agency has the ability to invoke a wide range of supervisory tools to achieve the necessary checks and balances.

In addition, the Section 712.3, Access to Information from the CUSO by Regulators, would require CUSOs to provide the agency and state regulators a list of CUSO customers. Depending on the interpretation of CUSO customers, this could include individuals and businesses that purchase Alaska USA products and services. We oppose the sharing of any individual or business accounts information due to the implications outlined in the annual privacy statements issued by each CUSO.

Alaska USA is concerned about the far reaching implications of this proposed regulation. We urge the agency not to proceed with the proposal as issued for comments.

Sincerely,



Daniel McCue
Senior Vice President,
Corporate Administration