



STATE OF UTAH

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DEPARTMENT OF FINANCIAL INSTITUTIONS

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July 22, 2013

Mary Rupp
Secretary to the Board
National Credit Union Administration
1775 Duke Street
Alexandria VA 22314

Re: Comments on Proposed Rule on Derivatives

Dear Ms Rupp:

I would like to submit the following comments to the proposed rule:

1. This proposed rule grants new powers and authority to federal credit unions while restricting the state regulator's authority to grant a state chartered credit union under \$250 million the same authority; even if that credit union can demonstrate that they have the expertise to appropriately engage in the activity. Most state regulators have, at least on the banking side of their agency, years of experience in regulating interest rate hedging activity. A simple interest rate hedge is used successfully by many banks that are less than \$250 million in assets.
2. The proposed application fee is excessive. Application fees should reasonably relate to the actual costs of processing the application. It is doubtful that a credit union will pay the fee. In addition, the costs to a credit union to comply with this regulation as proposed will be prohibitive. It is likely that the credit unions will find it easier and cheaper to live with the risk.

Sincerely,

Orla Beth Peck
Supervisor of Credit Unions