

December 23, 2013

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

RE: Comments on Proposed Rulemaking for Part 701

Dear Gerald Poliquin,

I am writing on behalf of Desert Valleys FCU, which serves the communities of Ridgecrest and Trona, CA. We have 4,306 Members and \$24 million in assets. Desert Valleys FCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule directed at home-based federal credit unions, Requirements for Contacts with Federal Credit Unions.

My purpose in writing this letter is to state that I support the requirement that meetings between an FCU and NCUA staff occur only at an FCU's offices (excluding homes or residential locations) or other alternative public locations. My reasons are fairly simple. First, I believe that home based credit unions, while a long tradition in our industry, are not a viable business model in today's market. I am a strong supporter of small credit unions and believe that any institution with the will to serve its members can survive and thrive. I believe the NCUA has made tools available to accomplish this as well. However, to have the member's personal information stored in an individual's home is simply asking for greater fraud and risk to the share insurance fund.

If this rule is not made final and FCU's are permitted to continue operating from home-based locations, I do not believe there should be separate requirements regarding the proper storage and security of records for home-based credit unions. My reason is that no amount of rules can properly protect and safeguard member information within a home. Additional regulation is not the solution to the safekeeping issue. The primary solution should be the establishment of a secure office location.

As proposed, the rule would only apply to home-based FCUs; not federally-insured state chartered credit unions. I believe that this is insufficient and that the rule should apply to all federally insured credit unions. Again, this is due to the overall risk to the share insurance fund.

Thank you for the opportunity to comment and for considering our views on the proposed Requirements for Contacts with Federal Credit Unions as they apply to home-based federal credit unions.

Sincerely,

Eric Bruen
CEO
Desert Valleys FCU

cc: CCUL