



North Carolina
323 West Jones Street, Suite 200
Raleigh, North Carolina 27603

South Carolina
Post Office Box 1787
Columbia, South Carolina 29202

July 13, 2015

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428b

Re: Comments on Share Insurance and Appendix

Dear Mr. Poliquin:

The Carolinas Credit Union League (CCUL), a trade association representing the interests of 140 credit unions in North and South Carolina, appreciates the opportunity to comment on the National Credit Union Administration's (NCUA) proposed rule to amend its share insurance regulations. CCUL understands that credit unions are more than financial institutions, they are community institutions built on a philosophy of people helping people. With that in mind, CCUL works to protect and advocate for credit unions that provide financial services to their member-owners.

CCUL applauds NCUA's effort to create a regulation that is adequately broad in defining "other similar escrow accounts" so as not to require regulatory approval of different escrow accounts on a case-by-case basis. To that end, we are comfortable with NCUA's proposed definition of pass-through share insurance and would offer one proposed change to the definition of "other similar escrow accounts."

CCUL recommends that the agency make the following addition to its definition of other similar escrow accounts:

"Other similar escrow account means an account where a licensed professional or other individual serving in a fiduciary capacity holds funds for the benefit of a client as part of a transaction or business relationship, such as realtor accounts and prepaid funeral accounts and agent-trust fiduciary accounts."

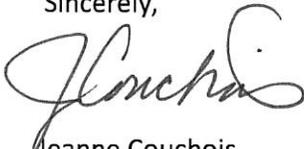
State laws use the words "escrow," "trust," and "fiduciary" interchangeably, which leads to ambiguity. CCUL believes the above definition is broad enough to erase the ambiguity while also minimizing the need for case-by-case analysis of whether an account qualifies as an escrow account.

In the proposal, NCUA specifically requested what accounts, besides realtor and prepaid funeral accounts, should be considered escrow accounts. CCUL provides the following list as examples of accounts that should be covered by pass-through share insurance: condominium escrow accounts; landlord/tenant and vacation rental security deposit trust accounts; and cemetery trust accounts. This list is illustrative and not intended to be exhaustive. CCUL contends that if the agency adopts our definition of an escrow account, these are the account types that would be covered.

CCUL agrees with the agency that NCUA share insurance regulations already provide record keeping requirements for escrow-type accounts. Creating additional requirements could put NCUA regulations in conflict with state laws. As for Bank Secrecy Act compliance, the Customer Identification Program recordkeeping requirements dictate that credit unions obtain, verify, and monitor business accounts and keep the records for five years from the date an account is closed. NCUA's recordkeeping requirements are sufficient for NCUA to determine what individuals are covered by share insurance, while the BSA recordkeeping requirements provide the necessary information to keep the records up to date and accounts monitored for suspicious activity.

CCUL appreciates NCUA's efforts to make more deposit products available to credit union members without adding to the regulatory burden of credit unions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jeanne Couchois".

Jeanne Couchois

VP Compliance and Regulatory Counsel