



January 23, 2014

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

Re: Requirements for Contacts with Federal Credit Unions; RIN 3133-AE34

Dear Mr. Poliquin:

I am the CEO of Spokane Media FCU. Our credit union was chartered in 1938 and currently has assets of 10 million. I also have the privilege of serving as the Chairman of the Northwest Credit Union Association which represents the 165 credit unions in the Northwest, serving 4.5 million individual members.

I am adamantly opposed to the proposed rule regarding home-based credit unions. Home-based credit unions were common in the early days of credit union chartering and are an important piece of the diverse credit union landscape. These credit unions serve members who frequently are underserved. These same members will have no viable alternative that meets their unique needs if the proposed rule is enacted.

Regulations should not penalize all home-based credit unions, many of which offer safe environments conducive to working efficiently and securely. Examiner safety and working conditions should meet safety standards irrespective of the location of the credit union. An appropriate approach is to indicate what constitutes a safe working environment in a letter to credit unions.

The proposed rule would have an adverse effect on credit unions that safely store records at home in compliance with NCUA standards. Furthermore, the NCUA should clarify in both the commentary and the rule that records containing non PII (personally identifiable information) are not subject to this rule.

§ 701.40 FCU office location and requirements – (b) Records. An FCU's records (containing personally identifiable information) must be stored either at the FCU's office location or another commercial location designed for secure records storage.

As proposed, the rule creates ambiguity related to records not containing PII that could result in unnecessary costs for credit unions and potentially compromised disaster recovery.

While it should be very clear from my letter that I oppose any rule making at all regarding home-based credit unions, I would hope that you would re-enforce our ability to be a dual chartering system and allow the individual states to determine how they wish to deal with their home-based state chartered credit unions.

The burden of meeting this regulation will have the effect of making this group of credit unions extinct. The value of credit union membership that they bring to their members and communities will be lost as a result of an unnecessary regulation. CUNA can certainly provide statistics that validate the need for these credit unions.

The NCUA has the authority to deal with issues that arise at home-based credit unions on a case by case basis. I am in full support of employees' rights to a safe and secure work environment. I want to reiterate that issues should be dealt with individually as opposed to a broad brush, which penalizes all.

In the event you go forward with rule making regarding home-based credit unions, please consider the following changes:

- Grandfather existing home-based credit unions or consider exceptions to the rule's requirements that are granted in a fair and timely manner.
- Allow member access to be through U.S. mail as well as the telephone or email.
- Allow affected credit unions the option to correct legitimate problems identified by the examiner on an appropriate basis or move to retail space.

Sincerely,



Debie Keesee,
CEO