

February 5, 2014

Mr. Gerald Poliquin

Secretary of the Board

National Credit Union Administration

1775 Duke Street

Alexandria, VA 22314-3428

Sent via E-mail to: regcomments@ncua.gov

Re: Southern Federal Credit Union Comments on Proposed Interagency Policy Statement
Establishing Joint Standards For Assessing the Diversity Policies and Practices of Regulated
Entities.

Dear Mr. Polquin:

Southern Federal Credit Union is a small organization with just seven full time and two part time employees. We run a very efficient credit union to minimize costs so our members will receive the maximum in benefits and the most safety for their funds.

As you are aware, NCUA has over the past couple of years given credit unions many new regulations to comply with that are beginning to tax our staff's ability to provide the best products and services possible for our members because we have to spend more and more time fulfilling the regulations and requests from NCUA. This proposal adds even more to that burden. What the NCUA has requested is an unfunded mandate during a time when the Credit Union industry is still recovering from the 2008 financial crises and many of our peers are still struggling.

Our philosophy has always been to take care of the members first, but now we're being asked ever more frequently to take care of government regulations without regard for how it affects our business or the people we serve. In this specific case, we do not see how having to devote valuable time and effort to generating new policies, procedures and recordkeeping provides any additional safety or benefit for our members.

To assess the diversity of our vendors would be a mission impossible to say the least. Will we be responsible for evaluating our utility provider diversity policy and staffing to determine whether or not we can continue to have them provide our electricity or what about the business we conduct with large national companies like Office Depot or HP computers? Most of our vendors are already abiding by diversity policies required by government in some form of regulation already, so why does the NCUA feel the need to place a duplicative mandate in place. The United States already has laws in place protecting the rights of individuals in business and we have a very active court system which ensures

those rights are being protected. It is distressing to see that the original credit union philosophy of “people helping people” no longer applies; now the focus is on taking care of government agencies and regulations. As a Credit Union we have been able to achieve diversity with a small staff, we’ve done it without any prompting by the government. Our staff is comprised of females, males, Anglos, African-Americans, Hispanics, different nationalities, various religious beliefs as well as young people under 25 to a couple of folks who are, shall we say, past 60.

We’re proud of our diversity and would not have it any other way! We believe the vast majority of the credit union community feels the same and therefore it’s not necessary for the government to regulate our actions with these onerous and duplicative proposals.

Sincerely,



Jeanne A. Walker

President/CEO

Southern Federal Credit Union

Houston, Texas