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National Association of Federal Credit Unions | www.nafcu.org

May 2, 2014

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

RE: Comments on Notice of Proposed Rulemaking for Voluntary Liquidation

Dear Mr. Poliquin:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I am writing regarding the National Credit Union Administration's (NCUA) request for comment on the proposed rule on the Voluntary Liquidation of credit unions.

NAFCU generally supports the substance of this regulatory update and efforts to modify and streamline existing rules. This update is in line with NAFCU's "Dirty Dozen" list of regulations to eliminate or amend in order to make regulations clearer and less burdensome and to allow credit unions to better serve their members.

NAFCU supports amending Part 710 of NCUA's Rules and Regulations to allow voluntarily liquidating federal credit unions to publish the required notices in electronic media. Additionally, the proposal would allow credit unions to distribute share account payments by either wire or other electronic means. The use of electronic communication and electronic fund transfers are an increasingly important way for credit unions to conduct their business effectively and efficiently. NAFCU supports efforts to review and modernize existing regulations to adapt to the technological advances in the credit union industry.

Recognizing technological advances through this proposed rule is a great first step that will benefit credit unions and their members. NAFCU urges that NCUA not to stop there. It believes that NCUA should also revise other sections of its Rules and Regulations to accommodate for the rise of social media and mobile banking. Regulations governing advertising, such as 12 CFR

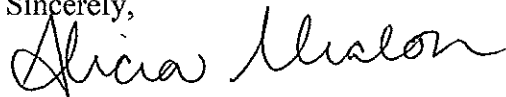
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740.5, for example, contain requirements that are impossible to apply to social media and mobile banking, especially medias that are interactive. These rules should be amended with the use of social media and mobile banking in mind to include more flexibility as opposed to the rigidity of the current rules. Credit unions have fared very well in safely adopting the use of such technology, and they take actions necessary to ensure their policies and procedures provide oversight and controls with regard to the risk associated by social media activities.

While NAFCU supports this proposal's effort to streamline existing rules, it encourages the agency to continue to find ways to ease the growing regulatory burden on credit unions. Since 2010, the number of credit unions has declined by 19.1 % (more than 1,500) institutions. A main reason for the decline is the increasing cost and complexity of complying with the ever-increasing onslaught of regulations. Many smaller institutions simply cannot keep up with the new regulatory tide and have to merge out of business or be taken over. NAFCU supports NCUA's efforts in this proposal to make a rule technically less cumbersome, and urges NCUA to continue to focus its efforts on eliminating or amending substantive rules so more credit unions can keep their doors open.

We look forward to continuing to work with the NCUA to address ways that the Agency could streamline and refine existing regulations in order to improve regulations and to more effectively support the dynamic credit union industry. I look forward to hearing from you regarding this important matter. Should you have any questions or would like to discuss these issues further, Should you have any questions or concerns, please feel free to contact me at anealon@nafcu.org or (703) 842-2266.

Sincerely,



Alicia Nealon
Regulatory Affairs Counsel