



December 2, 2019

The Board of Directors
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Comments on Proposal for Dedicated Consumer Compliance Exams of Large Credit Unions

Dear Sirs:

Thank you for the opportunity to provide comments on the rulemaking proposal regarding the proposal for Dedicated Consumer Compliance Exams of Large Credit Unions. State Employees' Credit Union of Raleigh, North Carolina is the nation's second largest credit union with more than \$41 billion in assets and 2.4 million members who are provided services through 267 branches, 1,100 ATMs, and 24/7/365 services via voice response, contact centers, mobile access and our interactive website, www.ncsecu.org.

CFPB Exams, Consumer-Friendly Products/Services and Do the Right Thing

As a credit union with more than \$10 billion in assets, SECU is subject to thorough and extensive consumer compliance exams of the Consumer Financial Protection Bureau (CFPB). We support consumer-friendly products and services and full, fair and transparent disclosure to our member-owners. As examples, our Non-Sufficient Funds (NSF) fee for overdrawn checking accounts is \$12 per item in a marketplace which generally charges three times higher for such fees. We provide 2 Fee-Free days annually to all members with checking accounts to help folks avoid fees who may have miscalculated their balance a couple of times during the year. We also provide an early warning "Another Chance" text alert service to members to notify them that an item has been presented today which will overdraw their account. The alert provides members another chance to make a deposit prior to 5:30 p.m. to pay the item and avoid an NSF fee. Finally, we offer an Overdraft Transfer Service which helps members avoid high fees, high costs and the embarrassment of "bounced checks" by allowing them to select another checking, share, money market account or home equity loan or credit card to be used to facilitate an automatic transfer of funds into their checking account in the event funds are not available to pay an item. This service only costs 50 cents per transfer for the first six transfers in a calendar month. We provide these few examples to make the point that we provide consumer-friendly products and services to support our members and try to "Do the Right Thing" in how we serve our members.

Consumer Protections, Compliance and Exams

We support consumer-friendly products and services and compliance with rules, regulations and laws but have concerns about adding yet another regulatory exam on consumer compliance to the existing and robust exams by our state regulator and the CFPB to which we are already subject. The additional time requirements and expense for another exam, in this case, is unnecessary and redundant given that the sole purpose of the CFPB focus (in the credit union regulatory world) is on consumer compliance and protections for large credit unions. The responsibility for examining consumer compliance related issues is not new to NCUA; you have had compliance related oversight responsibilities for years. You are also privy to the results of the CFPB examinations. We would ask that the Board incorporate any additional focus on consumer compliance into the existing safety and soundness examination process rather than creating a standalone consumer compliance exam for large credit unions. This would benefit all credit unions—those large credit unions already subject to CFPB examinations and others not currently subject to those exams.

SECU is a state-chartered credit union (subject to NC Division of Credit Union regulatory exams); federally insured (and subject to NCUA insurance reviews); and, due to our size, federally regulated for consumer compliance exams (by the CFPB). We fully support consumer compliance examinations and protections and we demonstrate that through the consumer-friendly products and services we provide to our members. It is important that compliance review and protections be provided through the financial regulatory process. We recommend you incorporate any additional emphasis in this area through the existing examination process so as not to duplicate the existing regulatory oversight regimes.

Thank you for the opportunity to provide input as you consider this important matter.

Sincerely,



Michael J. Lord
President / CEO
State Employees' Credit Union
Raleigh, NC