

September 24, 2019

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

RE: Comments on Notice of Proposed Guidance Regarding Prohibitions Imposed by Sec. 205(d) of the FCU Act

Dear Mr. Gerald Poliquin,

Introductory paragraph:

I am writing on behalf of Pearl Hawaii FCU which serves a Community Credit Union serving the Island of Oahu.. We have 29,479 members and \$376,754,654 in assets. Pearl Hawaii FCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed interpretive ruling and policy statement (IRPS) regarding Exceptions to Employment Under Section 205(d) of the Federal Credit Union Act (FCU Act).

Letter Body:

Do you generally support expanding the current *de minimis* exception to include additional offenses? Why or why not?

I do not support this. I believe that the board should have the opportunity to evaluate all factors in an applicant's past to make an informed decision.

The NCUA does not define what constitutes participation in the conduct of the affairs of an insured credit union, but rather analyzes each individual's conduct on a case-by-case basis and considers the degree of influence or control over the management or affairs of the insured credit union. Do you agree with this approach? Why or why not?

I agree with this approach. Conduct and intent can be evaluated in greater detail by first understanding the situation

Do you agree with the proposed definition of "jail time"? Why or why not?

I do not agree. The exclusion of probation and parole should also be included in this definition

Are there any proposed additional offenses that would qualify as a *de minimis* offense to which you do not agree? If so, which proposed offense(s) and why?

I would prefer that all criminal offenses be included so that those assessing the individual would have a full picture of past activities.

The NCUA proposes that the writing of "bad" or insufficient funds check(s) will be considered a *de minimis* offense. However, the agency does not define a "bad" check. Should this offense be limited to writing insufficient funds checks, or are there other scenarios that should be defined for a "bad" check? Please explain your answer.

I would agree that writing a bad check should be considered as *de minimis*. Existing FI programs allow

for this type of behavior under a defined fee schedule.

Are there other “minor” offenses that the agency should consider adding to the *de minimis* exception? Please explain your answer.

None

What other recommendations do you have regarding the NCUA’s process for evaluating exceptions to the statutory prohibitions imposed by Section 205(d) of the FCU Act?

None

Summary of your position:

[Write the summary of your position here.]

Closing paragraph:

Thank you for the opportunity to comment on the proposed “Second Chance IRPS” and for considering our views.

Sincerely,

Gordon Sam
Board Chairperson
Pearl Harbor FCU

cc: CCUL