



Credit Union National Association

cuna.org

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November 26, 2012

Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: Comments on Notice of Proposed Rulemaking for Parts 701 and 741; Acceptance of Secondary Capital Accounts by Low-Income Designated Credit Unions; RIN 3133-AE09

Dear Ms. Rupp:

This comment letter represents the views of the Credit Union National Association (CUNA) regarding the National Credit Union Administration's (NCUA's) proposal on the amount of time credit unions have to accept a low-income credit union (LICU) designation. By way of background, CUNA is the largest credit union advocacy organization in this country, representing approximately 90% of our nation's 7,000 state and federal credit unions, which serve about 95 million members.

Under the current rule, when NCUA notifies an FCU that it qualifies for a low-income designation, the credit union has 30 days to notify the agency that it wishes to receive the designation.

CUNA strongly supports NCUA's proposal to extend the time period credit unions have to accept a low-income designation from 30 days to 90 days. As the agency has noted, some credit unions are currently finding that it takes longer than 30 days to fully consider the ramifications of the designation and to obtain any necessary approval from its board of directors.

Also, we agree that NCUA should notify FCUs of their low-income eligibility on a periodic basis, and that there should be additional opportunities to accept the designation in the future if an FCU does not or is not able to respond to a particular NCUA notification.

In addition, NCUA should further clarify the process for the designation of low income credit unions that are state chartered, and work with state



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regulators to ensure the process works as well for state-chartered credit unions as it does for federally chartered credit unions.

There are many benefits associated with the low income credit union designation, and CUNA wants to ensure all eligible credit unions that want to have the designation will be able to receive it. In that connection, we urge NCUA to signal now that it will review the LICU designation process again in 12 months and periodically thereafter to ensure it is working as effectively as NCUA intended.

Thank you for the opportunity to comment on this proposal. If you have any questions concerning our letter, please feel free to contact me at (202) 508-6736.

Sincerely,

A handwritten signature in cursive script that reads "Mary Mitchell Dunn".

Mary Mitchell Dunn
CUNA Senior Vice President and Deputy General Counsel