

Delta Community Credit Union



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FEB 13 '06 AM 12:16 BOARD

February 9, 2006

Mary Rupp, Secretary
NCUA Board of Directors
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Dear Members of the Board:

We appreciate the opportunity to comment on NCUA's proposed regulation on Third-party servicing of indirect vehicle loans.

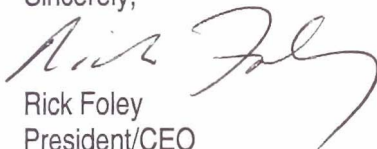
The Credit Union Loan Source, LLC (CULS) is a Georgia limited liability company and credit union service organization owned by three Georgia credit unions (Delta Community Credit Union, Atlanta Postal Credit Union and Georgia Telco Credit Union) and the Georgia Credit Union Services Corp (the League Service Corp). Each owner has a 25% ownership position, and a single board seat. CULS is not a wholly-owned CUSO. It is not even majority owned by a single credit union – though a majority ownership is held by federally insured credit unions.

State chartered credit unions in Georgia have been given regulatory authority to participate in CULS as owners and/or as purchasers of participations (under certain conditions, which are described in the letter of approval – attachment A.) This CUSO is subject to examination by the Georgia Department of Banking and Finance – item 5 in the attached letter. In the commentary of the proposed regulation under B. Proposed Rule 1. General – (page 13) an exception is carved out for "...federally-insured depository institutions or wholly-owned subsidiaries of federally-insured depository institutions. The risks to credit unions associated with these servicers are mitigated because federal regulators have access to and oversight of these entities."

NCUA has the authority to review the operation of CULS, as does the GA DB&F, and can do so regardless of the percentage ownership in the CUSO. As such we would ask that NCUA consider modifying the terminology in section 701.21 h) (3) (i) to replace the phrase "a wholly-owned subsidiary of a federally-insured depository institution" with the phrase "an entity having a majority of its voting interests owned by federally-insured depository institutions."

Thank you for the opportunity to comment and we are happy to discuss this further. If you have questions, please call me at 404-677-4506.

Sincerely,


Rick Foley
President/CEO



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