

June 30, 2008

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

Re: Comments on Proposed Rule 712, CUSO Amendments

Dear Ms. Rupp,

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on NCUA's proposal to amend its credit union service organization (CUSO) regulations by expanding and clarifying permissible CUSO activities. As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 178 credit unions that have over 1.7 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

GCUL commends the Agency on its efforts to clarify and expand permissible CUSO activities. In general, GCUL supports the majority of the proposed changes to the CUSO rules found in § Part 712. These changes aid in the clarification of permissible activities of CUSOs and address potential safety and soundness issues by providing NCUA access to the books and records of CUSOs owned by federally-insured, state-chartered credit unions.

However, we would encourage NCUA to consider the following:

- The proposal calls for the deletion of 12 CFR § 712.7 which permits credit unions to petition the NCUA Board to approve a previously non-approved CUSO activity. We encourage the Board to keep Part 712.7 in place and not delete it as this 60-day process is critical to CUSOs because it affords the opportunity to adjust in a timely fashion to the constantly changing marketplace.
- Because it can prevent unnecessary expenses and eliminate duplication of efforts, we support the permissibility of allowing a CUSO majority owner to obtain a consolidated opinion audit and only disclose that portion of the audit that pertains

to the CUSO to the remaining stockholders.

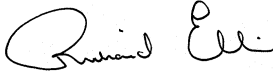
- We encourage the NCUA to expand on the permissible activities of CUSOs by including the authority to originate indirect automobile loans.

We understand that, in general, NCUA adds authority where it can increase the product or service availability to smaller credit unions. However, consumer loans are perceived to be within the realm of small credit union authority and, therefore, do not require CUSO assistance.

One area that is becoming increasingly important is indirect lending-due to dealer efforts to capture automobile loan volume. And, many credit unions do not have the ability and expertise to conduct indirect auto lending well. By allowing a CUSO to perform the service, NCUA would bring this capability to many credit unions.

Thank you for the opportunity to comment on the proposal to amend the credit union service organization (CUSO) regulations. If you have questions about our comments, please contact Cindy Connelly or me at (770) 476-9625.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard Ellis". The signature is written in a cursive, flowing style.

Richard Ellis
Vice President/Credit Union Development
Georgia Credit Union League