



Educational Systems Federal Credit Union

Serving the Education Community

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May 2, 2007

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

Re. Proposed Rule – Records Preservation Program and Appendices – Record Retention Guidelines; Catastrophic Act Preparedness Guidelines

Dear Ms. Rupp and Members of the NCUA Board:

I am writing in response to NCUA's request for comments on the proposed rule that is referenced above. We are pleased to see that NCUA is clarifying the requirements for preserving vital records and we are especially pleased to see NCUA suggesting important items for consideration in restoring vital member services.

The proposed Appendix B to Part 749 – "Catastrophic Act Preparedness Guidelines" is a valuable tool for credit unions to use in developing a program to prepare for disasters that could affect their entire community or region. Credit unions often look to NCUA for guidance on many issues. By bringing forth this appendix, which clearly outlines the elements required, NCUA is proving to be a valuable resource to credit unions on a critically important topic. Especially helpful is the suggested methods for restoring vital member services. As we have learned from recent disasters, providing member services within reasonable proximity of a catastrophic act is an important part of ensuring member confidence in their credit union.

With many varied solutions available, it can be difficult for a credit union to decide upon an economical solution that will quickly restore vital member services after a catastrophic act. Although hot-sites or online hosts usually ensure the integrity of core data systems, the continuing of operational functions and delivery of vital member services after the occurrence of a catastrophic act remains a challenge for most credit unions. This challenge is especially acute for smaller credit unions with limited resources. I applaud NCUA for suggesting alternatives in this area that include *agreements with other credit unions*. Since catastrophic acts are rare, the suggestion that credit unions formally work together to mitigate their risks is a sound and economically viable solution especially for small and mid-size credit unions.

Sincerely,

Chris Conway
President/CEO