

July 7, 2005

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

RE: Proposed Interpretive Ruling and Policy Statement No. 05-1

Dear Ms. Rupp:

Bay Federal Credit Union understands that the National Credit Union Administration ("NCUA") is proposing to adopt an Interpretive Ruling and Policy Statement ("IRPS") regarding Sales of Nondeposit Investments, which will replace the NCUA Letter to Credit Unions No. 150.

We have received a copy of the letter sent to you on June 28th from Peter Vonk of CUSO Financial Services, L.P. ("CFS"). That letter reflects Bay Federal's understanding of this proposed change. We will not attempt to improve on the content or wording of Mr. Vonk's letter, rather we echo those sentiments and specific comments.

In summary we believe that if approved, the proposed rule would place a significant procedural and financial burden on credit unions, and we are strongly opposed.

Should you have any questions, please contact me at cbirkhofer@bayfed.com, or at the phone number below.

Sincerely,



Carrie L. Birkhofer
President and CEO