



Formerly Riverside County's Credit Union

## COMMENT LETTER

JUL 22 '05 PM 1:24 BOARD

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Date July 20, 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:

Altura 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 are writing to provide general comments on the IRPS as follows:

**1. Regulatory Flexibility Act**

According to the NCUA, the IRPS will not have a significant economic impact on the small credit union. We disagree based on the following.

**2. Paperwork Reduction Act**

According to the NCUA, the IRPS will not increase paperwork requirements. We disagree based on the following.

**3. Proposed Contract Provisions**

The below proposed contract provisions may negatively affect and/or are not practical for credit unions as follows.

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**4. Compliance with the requirements of the IRPS and applicable law and regulation.**

The below proposed compliance requirements may negatively affect and/or are not practical for credit unions as follows.

**5. Dual Employees**

The below restrictions on dual employees may negatively affect and/or are not practical for credit unions as follows.

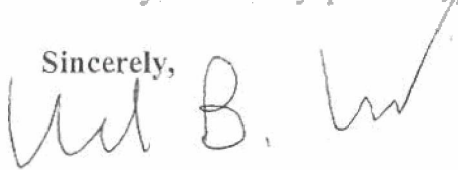
**6. Non Deposit Sales to Nonmembers**

We disagree with the IRPS proposal on sales to non-members based on the following.

In summary, we agree with the view of many other credit unions across the country that to have an independent compliance function is (i) not practical since the credit union may not have staff qualified for this function, (ii) redundant since the brokerage firm already has this function, (iii) an unnecessary additional expense for the credit union and (iv) will likely increase, and not reduce, credit union liability for investment activities..

Should you have any questions, please contact me at 951-571-5350.

Sincerely,



**Michael B. Kormos**  
Vice President/Program Manager