

## YOUNG, SHERON

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**From:** \_Regulatory Comments  
**Sent:** Monday, July 25, 2005 10:20 AM  
**To:** YOUNG, SHERON  
**Subject:** FW: Carlos Griego Comments on Proposed IRPS (Sales of Nondeposit Investments)

Please adobe to Web - IRPS

-----Original Message-----

From: CGriego@slfcu.org [mailto:CGriego@slfcu.org]  
Sent: Friday, July 22, 2005 5:06 PM  
To: \_Regulatory Comments  
Cc: gmessick@cusolaw.com  
Subject: Carlos Griego Comments on Proposed IRPS (Sales of Nondeposit Investments)

Thank you for the opportunity to comment on the proposed interpretive ruling on Sales of Nondeposit Investments. I have personally reviewed and read information from NCUA, NACUSO and NAFCU on this subject. I serve as a CUSO executive where a third-party arrangement has been in place for approximately 15 years and I have directly overseen this CUSO activity for the past 5 years. Accordingly, I believe that the current level of oversight and disclosure is working and does protect our credit union members.

Having said that, I fully agree with comments expressed in Mr. Guy Messick's letter to NCUA dated June 30, 2005 concerning the Proposed Interpretive Ruling and Policy Statement No. 05-1 Sales of Nondeposit Investment Products.

Additionally, I will comment further on one specific section, "Sales of Nondeposit Investments to Nonmembers." The limitations on reimbursement on sales to nonmembers will be very harmful to the efforts of our credit union to serve fellow (smaller) credit unions. Dividing credit unions into those large enough to have their own program (generally, at least \$100 million in deposits) and those not large enough to be on their own, will provide pressure on smaller credit unions to merge or greatly inhibit their ability to fully serve their membership. I would favor an exception that allows one credit union to enter into an arrangement with another credit union to provide nondeposit sales to their members, effectively sharing a registered representative, and be compensated on the business (e.g. not limited to costs or some other calculation).

Lastly, let me say that a move to limit reimbursement for sales to nonmembers to "expenses incurred," or to an arbitrary "percentage of income or expenses" is truly a movement in the wrong direction. Having worked in that environment in the past, I find it unproductive and contrary to our mission of making competitive financial services available at an affordable basis.

Thank you for taking my comments into consideration.

Carlos Griego  
Senior Vice President,  
Sandia Laboratory Federal Credit Union; and  
President, Consumer Financial Services, LLC

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