



JUL26'05 AM10:18 BOARD

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Henry M. Prior  
President/Chief Executive Officer

July 19, 2005

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

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

Dear Ms. Rupp:

Power 1 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. Up to 100% to the current profit from Power 1 Credit Union's Sale of Nondeposit Investments would be spent on a qualified compliance individual.

**2. Paperwork Reduction Act**

According to NCUA, the IRPS will not increase paperwork requirements. We disagree based on the following. This entire program creates duplicate volumes of correspondence with customers and reports.

**3. 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. It is a duplication of the audit procedures (OSJ) performed by the broker/dealer.

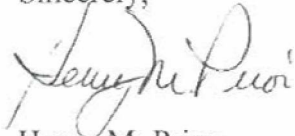
#### 4. Dual Employees

The below restrictions on dual employees may negatively affect and/or not be practically for credit unions as follows. Hiring employees to fulfill the "dual employee" roles is economically unrealistic.

In summary, we believe that this IRPS is totally unnecessary and unjustified.

Should you have any questions, please contact me at (954) 538-6208.

Sincerely,

A handwritten signature in cursive script, appearing to read "Henry M. Prior".

Henry M. Prior  
President/Chief Executive Officer.