



**Your Community
CREDIT UNION!**

H. GREG McCLELLAN
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

MONTGOMERY
401 MONROE STREET,
DOWNTOWN
EASTDALE CIRCLE
GUNTER ANNEX
MAXWELL AFB
VAUGHN ROAD
4705 MOBILE HWY.,
WEST MONTGOMERY
ZELDA ROAD

PRATTVILLE
COBBS FORD ROAD
MAIN STREET

WETUMPKA
HWY. 231

WEBSITE
www.maxfcu.com

MAX TELEPHONE
SERVICE CENTER
334.271.7171
1.800.776.6776

CORPORATE OFFICES
400 EASTDALE CIRCLE (36117)
POST OFFICE BOX 244040
MONTGOMERY, AL 36124-4040
334.260.2600

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JUL26'05 AM10:18 BOARD

July 18, 2005

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 NCUA Board:

This letter is written on behalf of MAX Federal Credit Union and its members in regards to several policies and procedures as proposed in IRPS No. 05-1. The following topics with MAX Federal Credit Union comments are detailed below:

1. IRPS 05-1: Requires the credit union to oversee the broker/dealer's securities sales compliance.

Comments: We believe this requirement places an unnecessary burden on the credit union. Those individuals engaged in the sale of securities must provide compliance to all rules imposed by the Securities and Exchange Commission as well as comply with National Association of Securities Dealers rules and regulation. To subject a credit union to oversee the SEC and National Association of Securities Dealers aspect of compliance would only provide for a duplication of effort and unnecessary expense to the credit union.

2. IRPS 05-1: Limits non-members investment income and expense to 5%.

Comments: While this provision of the regulation should have no impact on MAX as a community credit union, we think it is necessary to provide some input on the issue.

The five percent ratio of non-member income to total gross income which the credit union can receive appears to be arbitrary and has no real basis for the calculation of non-member income. The broker/dealer can provide tracking of non-member business and this information could be used by the credit union to know the costs associated with the non-member business as well as know the extent of any income this business generates.

Thank you for the opportunity to comment on IRPS 05-1 and I welcome any questions you may have.

Sincerely,

H. Greg McClellan
President/CEO