



EASTMAN CREDIT UNION

"It's Your Money"SM

7/21/05 AM 9:37 BOARD

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July 21, 2005

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

Re: Draft of Comment Letter to Proposed Interpretative Ruling and Policy Statement
No. 05-1 Sales of Nondeposit Investment Products

Dear Ms. Rupp:

I am writing this comment letter on behalf of Eastman Credit Union, which has a networking agreement with a registered broker-dealer.

We were advised by legal counsel to avoid becoming involved in compliance oversight issues. For numerous reasons, our credit union management and audit staff agree with that legal assessment. The IRPS would create a duplication of efforts between the credit union and the broker-dealer's compliance staff. Our broker-dealer (UVEST) takes compliance very seriously and has the expertise to handle compliance matters. Obtaining the expertise that would be required for the credit union to oversee compliance would place a burden of added, unnecessary costs to the credit union and our member-owners. The potential additional risk to the credit union is also a major concern.

Having reviewed the attached comment letter from Guy Messick, we fully agree with his concerns and comments as they relate to our program. Eastman Credit Union offers non-deposit investment services as an added service to our members. Our nearly 2,000 members who use those services are very satisfied with both the credit union and the brokerage services. We believe that our role as a credit union is to monitor and respond to member complaints and do a certain level of due diligence. However, performing the compliance tasks as proposed is a cumbersome, risky proposition that seems highly redundant.

It is our hope that NCUA will reconsider its position on the proposed IRPS. Thank you for the opportunity to submit these comments.

Sincerely,

Olan O. Jones, Jr.
President/CEO, Eastman Credit Union

Attachment