

February 1, 2006

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

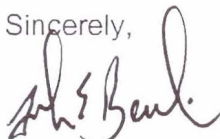
RE: Proposed Rule: Parts 701 and 741 06-EA01

Dear Ms. Rupp:

We have reviewed the summary of NCUA'S Proposed Rule Parts 701 and 741 and our comments are as follows:

1. We do not agree that regulating a credit union's participation in indirect lending is necessary. Guidelines should be given to credit unions. Undue losses are severe across the board for all credit unions, there appears to be no reason to place new regulations on credit unions.
2. We agree that it is appropriate to limit the aggregate amount of indirect vehicle loans serviced by any single third-party to 50 percent of the credit union's net worth for the first 30 months of the relationship with the servicer.
3. We agree that after the first 30 months, the proposal would raise the concentration limit to 100 percent of the credit union's net worth.
4. We agree that the proposed rule provides criteria that would be considered by the regional director in determining whether a credit union should be granted a waiver from the concentration limits.
5. We do not recommend any additional criterion that should be considered in the waiver process.
6. We believe that the definitions provided in section 701.21(h)(3) of the proposed rule are appropriate.
7. We believe the proposed rule is suitably tailored to address the risks associated with this type of lending.

Sincerely,



Frank E. Berrish
President/CEO

