



Indiana Credit Union League

The association of Indiana credit unions

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February 17, 2006

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

Re: Parts 701 and 741- Third Party Servicing of Indirect Vehicle Loans

Dear Ms. Rupp:

Thank you for the opportunity to comment on proposed rule changes to Parts 701 and 742 dealing with setting limits on the amount of vehicle loans being serviced by a third party that credit unions can have in their loan portfolio. The Indiana Credit Union League (ICUL) represents 90% of the credit unions in Indiana which serve over 2 million members.

ICUL feels that the proposed limits of 50% of net worth for the first 30 months on a new program and 100% of net worth after 30 months on the program are reasonable. We also agree with including the ability of a credit union to request a waiver to exceed the proposed limits as long as they can demonstrate that they have done appropriate initial and ongoing due diligence, and have the proper controls in place to manage the risk associated with these loans. We would urge NCUA to include in the regulation a time period in which the regional director has to approve or deny a waiver request.

Sincerely,

John McKenzie
President
Indiana Credit Union League