

# IOWA CREDIT UNION LEAGUE

February 6, 2006

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

Dear Members of the Board:

We appreciate the opportunity to comment on the NCUA's proposed regulation on third-party servicing of indirect vehicle loans. The Iowa Credit Union League (the League) is the trade association representing over 150 Iowa credit unions. The League would like to comment on the proposed regulation's definition of third-party servicers of credit union vehicle loans. Section 701.21(h)(3)(i) of the proposed rule gives the following definition for third-party servicers:

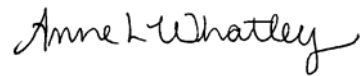
*The term "third-party servicer" means any entity, other than a federally-insured depository institution or a wholly-owned subsidiary of a federally-insured depository institution, that receives any scheduled periodic payments from a borrower pursuant to the terms of a loan and distributes the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required pursuant to the terms of the loan.*

The League is aware of credit union service organizations that service vehicle loans for credit unions. These CUSOs are not necessarily wholly owned subsidiaries of *one particular* federally-insured depository institution, but rather a majority ownership of such a CUSO may be held by *several* federally-insured credit unions. Under such an ownership structure, the regulatory oversight of the controlling interests is no less stringent than if *one* depository institution were the owner.

As such, we would ask that the NCUA consider modifying the terminology in the proposed section 701.21(h)(3)(i) to replace the phrase "a wholly-owned subsidiary of a federally-insured depository institution" with the phrase "an entity having a majority of its voting interests owned by federally-insured depository institutions."

Thank you for the opportunity to comment. Should you have any questions, please call me at (515) 221-3005.

Sincerely,

A handwritten signature in cursive script that reads "Anne L. Whatley".

Anne L. Whatley  
Director of Regulatory Affairs  
Iowa Credit Union League