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MAR 17 '08 PM 2:28 BOARD

Mary Rupp  
National Credit Union Administration  
1775 Duke Street  
Alexandra, VA 22314-3428

March 13, 2008

Re: Comment Letter regarding NCUA ANPR – Mergers and Conversions

Dear Ms. Rupp:

I serve as President of Beacon Credit Union located in north central Indiana. I appreciate the opportunity to comment on the proposed modifications being considered to the existing rules pertaining to mergers and conversions.

Over the past several years I have been concerned how your agency has closed opportunities for credit unions to exercise options to provide the optimum level of service and products to meet the needs of the member-owners. Our cooperative has no intention or desire to convert to a bank and believe it is of utmost importance that credit union members be adequately notified and informed in order to have a fair opportunity to cast knowledgeable votes on charter conversion proposals. I agree that members should be fully aware of all ramifications of giving away ownership and capital that has been generated for decades and applaud your desire to educate members in this regard. I do not understand, however, why your leadership would impose the same degree of restrictions on credit union board of directors who consider providing share insurance through a mutually owned insurance company instead of that provided by NCUA. Our state statute requires share insurance and credit union members should have the opportunity to reasonably select from the two approved sources that exist.

Imposing the disclosure rules, contained in your proposal, on state chartered credit unions considering a change from Federal Share Insurance will further protect your agency from its competition; however I believe the proposed ANPR is not valid and demonstrates your desire to eliminate the choice credit unions have to operate under state laws. Recognizing that less than 200 credit unions nationwide have elected to provide non-federal share insurance coverage, it is obvious NCUA prefers to regulate its competition rather than to develop reasonable regulations. The rights of every credit union member in the United States will be adversely affected when NCUA creates through regulation that which is not required through state law, or to be the only source for share insurance.

As your leadership continues to emphasize regulations to protect its own turf, member-owner's rights will further be restricted. The proposed increased disclosure and voting requirements that remove employees and management from assisting in the voting process are unreasonable, burdensome, and in conflict with the very doctrine of full disclosure. It is unfortunate share insurance options for state chartered credit unions are considered to be as threatening to member's rights as the loss of ownership through charter conversions to a bank are by your agency.

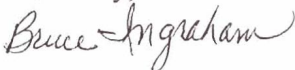
Consideration of establishing a regulatory standard of care by a federal agency to eliminate confusion resulting from the differences in state laws and making it easier for credit union boards to fulfill duties to members goes against everything our free enterprise system stands for. The dual chartering system considered by many to have been responsible for the success of credit unions for nearly a century will be compromised under your proposal.

Under the cooperative business model, the members elect a board of directors that is responsible for hiring professionals to manage the operations and research all the available benefits to return value to the owner. Member-owners were never expected to fully embrace the operations and underlying detailed functions of the business. Professional management continues to have a valid role in the operations of credit unions. NCUA should leave the unique interests, concerns, and structure of credit unions as financial cooperatives to the discretion of the individual credit unions and their elected boards. I agree that all credit unions are unique, however, establishing a uniform federal standard, eliminating inconsistencies among state laws as to the definition of fiduciary due care, and attempting to make it easier for credit union boards to fulfill their duties, is destructive and goes against the cooperative spirit by which credit unions were founded. This should not be a function of a regulatory agency of the United States Government.

I trust members of the NCUA Board will consider the enormity of the proposed rulemaking as it pertains to mergers and charter and insurance conversions to focus its attention on proper regulation of an industry that serves the individual financial needs of millions of citizens through out the United States.

Thank you for providing me this opportunity to submit my comments.

Sincerely,



Bruce Ingraham  
President  
Beacon Credit Union  
260.563.7443

cc: ICUL