

April 21, 2008

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

Dear Ms. Rupp:

Dear Ms. Rupp,

Lacamas Community Credit Union (LCCU) is pleased to have the opportunity to comment on the NCUA's advanced notice of proposed rulemaking on Parts 708a and 708b of the NCUA rules. LCCU is a state chartered credit union located in Washington state.

LCCU knows and appreciates the NCUA's role in regulating credit unions to preserve the safety and soundness of the system. LCCU, however, would like to point out that more regulation does not necessarily mean that credit unions will be more safe and sound. In fact, frequently quite the opposite is true. In today's changing economy, credit unions need the flexibility to respond to new and different member needs quickly. The economic environment will also mean that financial institutions generally will be subject to more regulation this year, over and above the regulations that have recently been promulgated and are not yet in effect.

Regarding dividends in unequal net worth merger situations, LCCU would like to maintain flexibility. Credit unions can have unequal net worth, but because of the quality and nature of their assets and liabilities, actually be much closer in value than indicated. Requiring a dividend be paid to the members of the higher net worth credit union can result in an unequal distribution of the continuing credit union's equity. This issue would be best addressed in guidance, leaving the actual merger agreement to the credit unions in question.

LCCU would like the NCUA to exclude credit union to credit union mergers from this rulemaking process.

Thank you for your consideration. We appreciate the chance to provide early input in the rulemaking process.

Sincerely,

Kathleen Romane