

IOWA CREDIT UNION LEAGUE

February 3, 2006

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

Dear Members of the Board:

I appreciate the opportunity to comment on the NCUA's interim final rule on overdraft-privilege plans. The Iowa Credit Union League (the League) is the trade association representing over 150 Iowa credit unions.

We have some concerns with the rule's requirement that, if a credit union promotes the payment of overdrafts in advertisements, the total overdraft fees and returned check fees be disclosed on the monthly statement. Essentially, our industry feels that credit unions are giving sufficient disclosures currently, and that the additional disclosure requirements will be cost-prohibitive to some credit unions. One credit union submitted the following comments:

Our overdraft privilege product is very conservative. We have a maximum overdraft limit of \$300 and the member must bring the account positive within 14 days to avoid removal of the privilege. The only advertising we engage in for this product is that it is included as a line item in share draft account advertisements, and we give clear disclosures to members so that they know how the product works. We do not encourage use of the product. Since we have taken this conservative approach, we cannot justify the added expense of paying our data processor for their privilege pay module; therefore, we handle the program ourselves manually. We are afraid that, with implementation of this rule, we will be forced to pay our data processor to provide this costly service. In a nutshell, this will hurt the smaller credit unions who cannot easily afford to pay for the extra data processing expense.

Another commenter submitted the following:

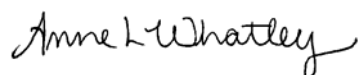
When members join the credit union, we give them an initial notice stating that Courtesy Pay is available to cover overdrafts. This notice includes cost information, provides for the ability to opt out, and additionally informs members that there are better ways to handle these circumstances and that they may contact us for more information. Our advertising consists of a short article in our newsletter once a year to remind

members of this benefit. No other advertising is done. We are not engaging in misleading advertising and therefore do not feel that it is necessary to have to change our periodic statements.

Another concern with respect to the rule is that the implementation date of July 1, 2006 will likely not give credit unions enough time to comply should the rule remain in its current form. If the NCUA does not amend the rule, our credit unions are hopeful that this deadline would be pushed back to accommodate compliance.

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