

February 3, 2006

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

Re: Truth-In-Savings

Dear Ms. Rupp:

On behalf of our 120,000 member-owners throughout the U.S. who have entrusted us with more than \$1.1 billion in assets, Western Federal Credit Union (Western) appreciates the opportunity to comment on the Agency's interim final rule Courtesy Pay within the Truth-In-Savings regulations. Western supports the interim final rule but objects to the short time frame credit unions will be given to become compliant.

### *Courtesy Pay*

We firmly agree that credit union members (and all consumers) should be fully informed about the costs involved with their accounts at financial services providers. Full and fair disclosure is not only the requirement of Truth-In-Savings but should always be the case when credit unions deal with their member-owners.

Western offers Courtesy Pay to our members. We charge our members the same fee if we honor a check using Courtesy Pay or return the check NSF (non-sufficient funds). We are providing our members with numerous benefits by honoring these checks – no fee from the payee of the check, no extra NSF fees from redepositing the unpaid item and less probability of being listed as a "bad check writer" on local and national databases.

We currently fully disclose that there are less costly options that members can and should use to cover checks via an overdraft. However, the members must choose if, and when, to use the Courtesy Pay service. We respectfully believe that neither the NCUA nor any other federal regulatory agency should be in the position of dictating to consumers how often to use this service.

Courtesy Pay is one of the many services Western provides our members as a full-service credit union. This service provides our members with an alternative to payday lenders in the event that their current resources are not sufficient to cover immediate bills.

**Effective Date of Compliance**

We strongly disagree with the interim final rule's short timeframe before compliance is mandatory.

Banks were given an opportunity to comment on the Federal Reserve's proposed regulations and then provided a one-year period before compliance became mandatory. On the other hand, credit unions were given **less than two weeks** from the Board approval of the interim final rule until it was published in the *Federal Register* and then only **seven months** before mandatory compliance.

As a matter of fairness and equity between banks and credit unions, it would seem that the additional opportunity for credit unions to work with data processing firms should be provided. We ask the Agency to extend the mandatory compliance date out to January 1, 2007.

**Conclusion**

If I can be of any assistance to you in this matter, please feel free to contact me at 310.536.5330.

Sincerely,



Greg Badovinac  
Compliance Officer  
Assistant Vice President – Risk Management