

YOUNG, SHERON

From: _Regulatory Comments

Sent: Tuesday, February 07, 2006 10:40 AM

To: YOUNG, SHERON

Subject: FW: Virginia Credit Union League Regulatory Response Committee Comments on Part 707 Truth In Savings

February 7, 2006

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

Dear Ms. Rupp

The Regulatory Response Committee of the Virginia Credit Union League appreciates the opportunity to provide comments on the National Credit Union Administration's interim final rule amending the Truth in Savings regulations as they deal with courtesy overdraft protection programs.

There is some confusion among credit unions regarding what programs are covered by the new regulations. Many hear the term "overdraft protection program" and assume the old-fashioned overdraft program where a credit union will simply move funds from a member's share account to cover an overdraft. As this is not the type of program covered under the regulations, we encourage the Board to use consistent terminology, such as "courtesy overdraft protection program," in the regulation.

We believe the advertising disclosures will become excessive. To include possible circumstances when a credit union would not pay an overdraft, or the time period to repay an overdraft, will force some credit unions to rethink advertising this member service.

For some credit unions, a July 1, 2006, effective date for the new disclosure, advertising, and periodic statement requirements will not be problematic. However, there inevitably will be some software providers that will have difficulty adapting their systems to accommodate the necessary changes in such a short time frame. For that reason, we encourage the Board to extend the effective date until January 1, 2007.

We thank you for the chance to share our views on this proposal. Please do not hesitate to contact Kristen Tatlock at our League office should you need further clarification on our views. Thank you.

Sincerely,

Richard Williams, Chairman, Virginia Credit Union League Regulatory Response Committee
CEO, Member One FCU

Kristen Tatlock, Staff Liaison, Virginia Credit Union League Regulatory Response Committee

Virginia Credit Union League