



Office of the President

PO Box 3000 • Merrifield VA • 22119-3000

February 6, 2006

FEB09'06 PM 3:14 BOARD

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

Re: Truth in Savings (12 CFR Part 707)

Dear Ms. Rupp:

Navy Federal provides the following comments in response to the National Credit Union Administration's (NCUA) request for comments on its interim final rule addressing the adequacy of information available to members when they overdraw share accounts.

NCUA estimates that credit unions, on average, will need one business day to make the necessary system changes to comply with this final rule. The agency goes on to state that revisions and updates to marketing materials should require approximately one business week. We believe that NCUA has greatly underestimated the burden for credit unions to comply with this requirement. While some credit union software systems may need only minor modifications, many may require wholesale changes, including development and testing to guarantee compliance and effectiveness.

We believe that there are a number of additional costs that result from compliance with these changes. For example, changes in regulation would almost certainly trigger member questions that require a greater member service effort in response. As a result, credit unions wishing to fully comply with this rule would likely incur additional burdens related to staff training, including training for call center and other "front-line" personnel. We view the costs associated with this type of training as a significant part of an organization's compliance effort. As it promulgates rulemaking, we urge the agency to take a more comprehensive view of the costs associated with complying with changes in regulation, including the costs associated with staff training.

Navy Federal appreciates the opportunity to provide comments in response to the NCUA's request for comments on its interim final rule addressing the adequacy of information available to members when they overdraw share accounts.

Sincerely,

A handwritten signature in black ink that reads "W. A. Earner".

W. A. Earner  
Acting President

WAE/pm