



May 17, 2005

Mary Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22341-3428

Subject: Request for Comment: CUSO Financial Statement Audit Requirements

Dear Ms. Rupp:

We have reviewed the subject, and respectfully offer our comments for NCUA consideration. The NCUA Board and staff are commended for their continued efforts to provide regulatory flexibility where appropriate.

The proposed rule, which revises the existing CUSO audit rule by no longer requiring a separate financial statement audit of a wholly-owned CUSO in instances where the parent credit union includes the CUSO in the credit union's consolidated financial statement audit; is consistent with generally accepted accounting principles (GAAP) and does not cause safety and soundness concerns. As such, we fully support the proposed changes to Part 712.

Additionally, we respectfully suggest that the proposed audit rule change be applied to audits of CUSOs over which the parent credit union has controlling financial interest, consistent with GAAP rules pertaining to consolidated financial statement presentation.

We strongly support efforts to reduce credit unions' regulatory burden, wherever possible, while continuing to assure the safety and soundness of America's credit unions. Thank you for considering the comments of Security Service Federal Credit Union. If you have any questions or require clarification, Chief of Staff Howard Baker or I am available at your convenience at (210) 476-4550.

Sincerely,

MAX GIOVANNINI  
Chairman of the Board