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FLORIDA CREDIT UNION LEAGUE, INC.



August 4, 2008

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

Submitted Via e-mail: regcomments@ncua.gov.

Re: Proposed Rule on Regulation AA (Unfair and Deceptive Trade Practices
(RIN 3133-AD47)

Dear Secretary Rupp:

The Florida Credit Union League, Inc. (FCUL), representing almost 180 of Florida's credit unions, appreciates the opportunity to offer our comments on the Interagency Proposed Rule – Unfair and Deceptive Trade Practices to amend or issue regulations on Regulation AA that provides additional regulations on Overdraft Service Practices.

FCUL has included its members' comments in our response.

FCUL has always supported full and fair disclosure to the consumer of services and fees provided and we applaud the NCUA for considering revisions to the regulations surrounding overdraft protection services. We hope that the revisions will encompass the philosophy of providing flexibility, reducing the regulatory burden on our institutions, and allowing the credit unions to determine what is in the best interest of their members.

We are concerned that this proposal, may significantly impact what we consider, when implemented properly, a valuable and consumer friendly service. We believe that an overdraft protection service, when managed properly, benefits consumers in many ways. The consumer can incur many negative consequences from a returned item such as fees from a merchant, negative credit reporting, and many other consequences. Shifting the risk of loss from the credit union, back to the merchant, with increased costs to the consumer, is not a consumer friendly approach to regulation in this area.

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Our comments specifically on the proposal are as follows:

Opt-Out Requirements:

Although we suggest abandoning the opt-out requirement altogether, we would suggest that providing notice of an opt-out option at account opening (or when the service is started) is sufficient. Alternatively, an annual notice requirement would be sufficient. The opt-out proposal. Concerning the opt-out for electronic channels, this proposal could impose significant costs on our institutions and it is unclear if such notice would be technological feasible in certain circumstances. Again, we believe the option for opt-out should be left to account opening (or when the service is started).

Debit Holds:

This proposal prohibits our institutions from imposing fees when an account is overdrawn solely because a hold was placed on the funds in the member's account. Credit Unions have no control over these transactions. Responsibility for enforcing or paying the penalty for any over authorization above the actual charge should be placed on the merchants and the clearing organizations in these circumstances. Requiring overdraft service in the event of a debit hold could force credit unions to manually handle all overdrafts which would create a significant burden on credit unions, increase the possibility o error, and create excessive costs. We are opposed to this proposal.

Clearing Practices:

With respect to clearing practices, we believe allowing the credit union flexibility to establish its practice by policy, which includes the ability to deviate when it is in the best interest of the member, is the best policy. Establishing a hierarchy of paying the highest amount first, or the lowest amount first, may in many circumstances harm the consumer. The practice is best left to be determined between the credit union and its member and should allow the flexibility to determine the pay order on a case by case basis.

Limits on Fees Charged:

We oppose setting the maximum amount of fees charged. We believe this decision is best left to each individual credit union to act in the best interest of its members.

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Effective Date:

If this proposal is enacted as proposed, we would suggest at a minimum 2 years to implement would be an appropriate time. Many of the proposals will require significant time and technology expense to implement. One year may not be sufficient in many circumstances.

Thank you for allowing us to share our comments. We always appreciate the NCUA's decision to give credit unions, associations and others an opportunity to participate in the regulatory process. We hope the NCUA finds our comments useful in evaluating their action on this proposal.

Sincerely Yours,



Andrew T. Price
Director, Legal Services
Florida Credit Union League, Inc.

cc: Mary Dunn, Associate General Counsel CUNA