



July 28, 2008

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

Dear Ms. Rupp:

Re: Comments on Notice of Proposed Rulemaking (Incidental Powers)

On behalf of the California and Nevada Credit Union Leagues, I appreciate the opportunity to comment on the NCUA's proposal to amend its incidental powers regulation by adding illustrations of permissible activities under the categories of correspondent services, operational programs, and finder activities. By way of background, the California and Nevada Credit Union Leagues (the Leagues) are the largest state trade associations for credit unions in the United States, representing the interests of more than 400 credit unions and their 9 million members.

The Leagues wholeheartedly support all of NCUA's proposed changes to the incidental powers regulation, which would:

- Permit federal credit unions (FCUs) to provide correspondent services to foreign as well as federal or state-chartered credit unions;
- Clarify that finder activities include an FCU's negotiation of group discounts and the performance of administrative functions for outside vendors;
- Add language elaborating that vendors may be providers of non-financial products or financial products, including insurance;
- Add language to explain that FCU's may act as finders for the financial products of other financial institutions; and
- Include payroll services in the list of permissible activities under the operational programs category.

We applaud NCUA for recognizing the need to update and clarify the incidental powers regulation by incorporating these activities. NCUA's action is a much-appreciated confirmation of FCU's understanding of their incidental powers authority, and will provide more opportunities to serve members' financial services needs. Going forward, we encourage NCUA to continue to look for additional ways to expand incidental powers as members' needs change in the evolving financial services marketplace.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Cheney", with a long horizontal flourish extending to the right.

Bill Cheney  
President/CEO  
California and Nevada Credit Union Leagues