



National Association of Federal Credit Unions

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July 28, 2008

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

RE: Comments on Proposed Rulemaking on Incidental Powers

Dear Ms. Rupp:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents the interests of our nation's federal credit unions, I am writing in response to the National Credit Union Administration's (NCUA) request for public comment on the proposed rulemaking regarding incidental powers.

More specifically, NCUA is proposing to amend its incidental powers regulation, Part 721, to add illustrations of permissible activities for federal credit unions under the categories of correspondent services, operational programs, and finder activities. The amendments would clarify and update the rule with examples of activities that have been recognized through various legal opinions as permissible incidental powers activities since 2001.

NAFCU supports the proposed amendments and commends the agency for its efforts to maintain current and relevant regulations, and to provide greater consistency between agency guidance and federal credit unions' express regulatory authority. NAFCU believes it is imperative, particularly in these challenging economic times, that credit unions are empowered to seek out innovative avenues for generating income and new opportunities to serve their members' financial needs. By ensuring that topical business activities are incorporated into and addressed by the incidental powers regulation, NCUA is serving an important role in better enabling credit unions to best serve the needs of their fields of membership. NAFCU encourages the agency to continue to seek ways to foster innovation in order to ensure the sustained strength and vitality of the federal credit union charter.

NAFCU believes that the proposed amendments will help to substantiate and confirm credit unions' understanding of their incidental powers. However, we would like to take this opportunity to suggest that NCUA also consider streamlining the process and procedures for credit unions to apply to add new activities or categories to the regulation. In particular, in

Ms. Mary F. Rupp

July 28, 2008

Page 2 of 2

circumstances where a credit union wishes to engage in an activity with which it possesses a significant degree of expertise but that is not preapproved, NAFCU believes there may be ways to expedite the application process.

NAFCU appreciates the opportunity to share its views on this proposed rulemaking. Should you have any questions or require additional information please call me or Pamela Yu, NAFCU's Associate Director of Regulatory Affairs, at (703) 522-4770 or (800) 336-4644 ext. 218.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger", with a stylized flourish at the end.

B. Dan Berger
Senior Vice President of Government Affairs

BDB/py