

November 22, 2007

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

Re: Proposed Guidance on Garnishment of Exempt Federal Benefit Funds

Dear Members of the Board:

The Maryland & District of Columbia Credit Union Association (MDDCCUA) appreciates this opportunity to comment on the Agency's proposed guidance on garnishment of exempt federal benefit funds. MDDCCUA is a regional trade association serving the needs of over 180 credit unions in Maryland and Washington, D.C., which serve more than 2 million members.

Overview on Maryland Rules, Title 2, Civil Procedures, Civil Courts

Credit unions in our region are obligated as a matter of law, to comply with specific rules pertaining to account garnishments. In Maryland, civil courts have substantial procedures to comply with prior to the authorization and issuance of a writ of garnishment. In particular those rules include¹:

Content. - The writ of garnishment shall:

(1) contain the information in the request, the name and address of the person requesting the writ, and the date of issue.

(2) direct the garnishee to hold, subject to further proceedings, the property of each judgment debtor in the possession of the garnishee at the time of service of the writ and all property of each debtor that may come into the garnishee's possession after service of the writ.

(3) notify the garnishee of the time within which the answer must be filed and that the failure to do so may result in judgment by default against the garnishee.

(4) notify the judgment debtor and garnishee that federal and state exemptions may be available.

(5) notify the judgment debtor of the right to contest the garnishment by filing a motion asserting a defense or objection.

¹ Excerpted from Maryland Rules of Court, Title 2, Rule 2-645
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It is clear from these written procedures that the judgment debtor already has substantial procedures in place, that provide for asserting defenses or objections to condemnation orders. To impose additional regulatory standards would represent a burden to our organizations.

Providing Consumers With Information Concerning Exempt Funds

While we believe that the responsibility to provide this type of notification should be borne by the court, if administered at the civil court level, our credit unions would cooperate fully to the extent possible. A uniform, agency authorized, standard disclosure statement would be permitted.

Determination of Exempt Federal Benefit Funds


Substantial difficulty and confusion would occur in any mandated effort to require credit unions to identify the source of deposited funds and their exemption status. Many of our member credit unions lack the resources and data processing capability to accurately identify these payments, particularly when they are commingled with other automated deposit sources, and over-the-counter cash and check deposits.

Consumer Account Fees for Affected Accounts

We agree that account fees for such items as overdraft protection, automated account transfers, and other similar transaction fees could be minimized during such time as a consumer's account is affected by such order of the court. In fact many of our area credit unions extend loan advances to assist consumers in resolving these types of issues.

We appreciate the opportunity to comment. For further information concerning these issues, please contact B. Kirk Fox, vice president of Regulatory Affairs at (800) 492-4206.

Sincerely,



Michael V. Beall
President/CEO