

ELI LILLY FEDERAL CREDIT UNION

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July 20, 2007

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

Re: Notice of Proposed Rule 12 CFR Part 701 - Federal Credit Union Bylaws

NCUA Board Members,


Thank you for the opportunity to comment on your proposed changes to Part 701. While we are supportive of the NCUA's intent in helping to resolve bylaw conflicts between credit union members and their boards, we do not support these proposed measures.

Recent rare events have brought much attention to the need for bylaw enforcement and are troublesome given the context of charter conversions; never the less, more regulatory authority is not needed. In the Background section of the proposal, the point is made that in these "rare cases" the board would have the authority to intervene to resolve conflicts. It is problematic that the Board does not specify the types of situations in which it would intervene, as future Board members and NCUA staff personnel may interpret differently what situation rise to the justification of intervention. Also, there is no way to predict if situations which are rare now will be rare in the future. One could foresee this becoming a burdensome responsibility for the NCUA and predict the need for an entire "Office of Mediation and Arbitration". This is obviously, not the goal of the Federal Credit Union Act. This would result in increasing expenses to administer and oversee and could perceivably divert resources away from more important and broader reaching issues.

We submit that situations that cannot be resolved through thoughtful dialog between credit union board members and their memberships should be resolved in a court of law where independent review of all evidence and witness testimony is provided and guaranteed.

The original intent of the 1982 deregulation is still valid.

Sincerely,


Lisa Schlehober
Chief Executive Officer
Eli Lilly Federal Credit Union