

**Illinois Credit Union League**

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***VIA E-MAIL***

***regcomments@ncua.gov***

July 25, 2005

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

Re: Proposed Amendments to Part 713  
Fidelity Bonds

Dear Ms. Rupp:

We are pleased to respond on behalf of our member credit unions to the National Credit Union Administration ("NCUA") Board's proposed amendments to its fidelity bond rule. The Illinois Credit Union League represents over 350 federally-insured credit unions in Illinois.

The current deductible schedule is based on assets but "caps" at \$200,000 when a credit union's assets reach \$198,000,000. We support NCUA's conclusion that the maximum deductible should be increased for well-run credit unions with substantial net worth. We believe proposed increase in the maximum deductible to \$1,000,000 for "reg-flex" credit unions is appropriate. We note that credit unions meeting the 9% net-worth ratio required by reg-flex will have net worth that is at least 90 times the amount of the deductible.

We appreciate the opportunity to provide our comments on the proposed fidelity bond amendments. We will be happy to respond to any questions regarding these comments or otherwise discuss our concerns with agency staff.

Very truly yours,

**ILLINOIS CREDIT UNION LEAGUE**

By: Cornelius J. O'Mahoney  
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