



Information Technology Center ■ 24 McKinley Avenue ■ Endicott, NY 13760-5491 ■ (607) 754-7900 ■ FAX (607) 754-9772
Credit Union Center (607) 786-2000 ■ FAX (607) 786-5718

November 4, 2008

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

Re: Comments on Interim Final Rule – Share Insurance for Revocable Trust Accounts

Dear Ms. Rupp and Members of the NCUA Board:

I am writing on behalf of the Board of Directors and management team of Visions Federal Credit Union which is headquartered in Endicott, New York and serves 120,000 members in southern New York and northern Pennsylvania.

Overall, we support the interim rule and the agency's intent to simplify the insurance rules for coverage for revocable trust accounts. We do have a few comments and suggestions as detailed below.

Overview – Our Trust department advises me that generally “Special Needs Trusts” used in the example on page 5 are irrevocable – not revocable trusts.

a) *General Rule* – The example used in the actual regulation (p22) is very confusing when compared to the overview of the interim rule which explains that up to 5 beneficiaries are insured for up to the SMSIA. You do not mention anywhere in this first paragraph (a) the limitation of 5 beneficiaries.

b) *Required Intention* – We agree that for informal revocable trust accounts that the beneficiaries should be specifically named in the account records of the credit union.

c) *Definition of Beneficiary* – We think this definition is clear and concise.

d) *Interest of beneficiaries outside the definition of beneficiary in this section* – This clarifies what the status of those dollars is and is a helpful paragraph.

e) *Revocable trust accounts with aggregate balances exceeding five times the SMSIA and naming more than five beneficiaries* - At first, we found this confusing as to whether in the example only \$325,000 or \$500,000 was insured and to whose benefit. After re-reading, we



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now understand that the maximum amount (\$500,000) is the amount insured of the entire \$600,000 trust used in the example. We would like to suggest that this paragraph be summarized in such a fashion and it also made clear that the limit is not a strict \$500,000, but five times the SMSIA – which would make the current limit \$1,250,000.

f) *Joint revocable trust accounts* – It could be made clearer that the beneficiaries can be the same and still receive duplicate insurance fund coverage. We also believe that there is a loop hole in the regulation that if unintended, could have serious consequences to the insurance fund.

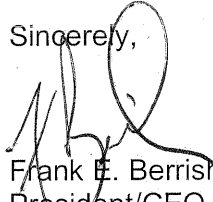
That loop hole is that we could find no limit to the number of joint owners on revocable trusts that could be established. Therefore, if 10 joint owners had 5 beneficiaries (the same beneficiaries), the funds **are now insured for up to \$12,250,000.** (5 X \$250K X 10). This might be an unusual circumstance, but my advisors assure me it is possible.

g) We agree with the life estate interest equaling the SMSIA.

h) *Revocable Trusts that become irrevocable trusts* – This rule that continues the insurance even after one or more of the owners of a revocable trust should become deceased is a very good modification of the current rule.

In closing, the only other suggestion we would like to make is that with the importance of our members understanding their deposit insurance, it may be helpful for the agency to publish some of the information with the new limits in a tabular form that would be easier for members to understand.

Thank you for the opportunity to comment on this proposed rule.

Sincerely,

Frank E. Berrish
President/CEO

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Cc: Mr. Fred Becker, President – NAFCU
Mr. Dan Mica, President - CUNA