



November 15, 2007

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

Re: Washington Credit Union League  
Comments on Proposed Guidance (Garnishment of Federal Benefit  
Payments)

Dear Ms. Rupp:

Thank you for the opportunity to comment on the joint proposed guidance regarding garnishment of federal benefit payments. The Washington Credit Union League is the trade association representing the 135 credit unions located in Washington State.

The WCUL agrees with the general principle of the guidance proposed. When a member has access only to exempt funds (such as SSA and VA benefits), freezing those funds can be a true hardship. Many of the best practices mentioned in the proposed guidance are excellent ideas that will have minimal impact on the credit union while providing a great deal of benefit to the members.

The League supports prompt notification of members when a freeze is placed pursuant to a garnishment order. Distributing pre-printed materials regarding exempt funds at the same time will maximize the impact of that notification. The League would like to emphasize the need for pre-printed materials. The credit union should not be responsible for developing materials in an area where it has no inherent expertise.

The WCUL has concerns, however, with the bulk of the guidance. Much of the guidance proposed suggests that credit unions determine whether or not an account contains exempt funds. This determination is solely the province of the judge in the case. Financial institutions should not be asked to act as arbiters of justice; they simply don't have the education, training, expertise or even the authority to do so.

As pointed out early in the guidance document, credit unions can be held liable for any funds that are withdrawn by a member after receipt of a garnishment order. This means the credit union runs a real and tangible risk if it, as

suggested by this guidance, allows access to a portion of the account equivalent to the documented amount of exempt federal benefit funds.

Finally, by introducing the credit union into the garnishment process in an active role, the agencies are adding a third party in an already complicated transaction. By putting the credit union in this role, the agencies will require vastly more credit union staff time to screen accounts and to field members' questions. This will also add to the members' confusion—do they need to go to the judge, or do they need to go to the credit union to dispute the garnishment or gain access to the exempt funds?

The traditional role of the credit union in a dispute is notification and prompt action when authorized. This role is to assure fair treatment of all parties in a dispute, and to assure that the credit union does not impede the course of justice. The League supports the portions of the guidance that adhere to this traditional role— notifying the member when a garnishment is placed, providing the member with information about exempt funds, and acting on court orders as quickly as possible.

The WCUL appreciates the opportunity to comment on this proposed guidance. Thank you for your time and attention.

Sincerely,

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