

November 5, 2007

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

Subject: Comments on Proposed Guidance – Garnishment of Federal Benefit Payments

Dear Ms. Rupp:

Boeing Employees' Credit Union (BECU) appreciates the opportunity to provide comments on the proposed guidance regarding garnishment of federal benefit payments. BECU is a state-chartered, federally insured credit union with assets of \$7.5 billion and a membership base of over 500,000.

We have provided our input on the issues that NCUA and the other agencies have requested comments on:

1. Are there practices that would enable an institution to avoid freezing funds altogether by determining at the time of receipt of a garnishment order that the funds are federally protected and not subject to an exception?

In our opinion, we do not feel financial institutions should be put in the position to determine what funds are exempt. If the account has other funds that are non-exempt, it would be hard to determine which funds are allowed to be garnished. This would open the financial institution to liability from not only the consumer, but the creditor as well.

2. Are there other permissible practices that would better serve the interests of consumers who have accounts containing federal benefit payments? Are there ways to provide consumers with reasonable access to their funds during the garnishment process?

Financial institutions can suggest to the consumer to establish segregated accounts to keep the exempt funds separate; however, the consumer can commingle those funds with non-exempt funds at a later time. Additionally, most consumers don't want multiple accounts.

3. Are customers adequately informed of their rights when a creditor attempts to garnish their funds? What could be done to provide consumers with better information?

In our opinion we do not feel that consumers are adequately informed. In Washington State, consumers are provided a notice of their rights and an exemption claim form by certified mail from the creditor advising them of the garnishment proceeding, what funds are exempt and how to claim an exemption. We recommend the agencies create a standardized information notice and exemption process which the financial institution could provide to the consumer upon receipt of a garnishment..

4. Institutions often charge customers a fee for freezing an account. How do these fees compare to those charged separately when an account holds insufficient funds to cover a check presented for payment? Are there operational justifications for both types of fees to be assessed?

*more than  
just money*

**BECU**

We do not charge our members a fee for freezing an account. Being a not-for-profit organization, we strive to keep our fees to a minimum.

Thank you for allowing us the opportunity to provide comments on this proposal. We look forward to the outcome.

Sincerely,



Gary J. Oakland  
President and CEO



Joe Brancucci  
Vice President – Product and Delivery Channels and Chief Lending Officer  
President – CEO, Prime Alliance Solutions, Inc.