SECURITY SERVICE
FEDERAL CREDIT UNION

April 25, 2008

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

Subject: Comments on Advanced Notice of Proposed Rulemaking, Parts 708(a) 708(b)

Dear Ms. Rupp:

We have reviewed the subject proposed rules, and respectfully offer our comments NCUA consideration. In general, we do not agree or support existing regulations conversions to an MSB, and we similarly do not agree with or support new regulati for credit union "mergers or conversions into financial institutions other than an MSB.

Credit union boards are elected by the members, and are trusted custodians of mem interests. Consistent with all other matters and decisions faced by credit unions, th dedicated elected officials are uniquely qualified to make the most informed decisi that best represent the interests of members. Boards, through their active involvement high level credit union management affairs, are familiar with requisite issues related strategic planning, the marketplace, and chartering. This approach has proven success as credit unions are consistently recognized as the best way for consumers to meet th financial needs. This success is attributable to the flexibility provided to boards to dir the operations of their respective credit unions, and we oppose the proposed rules wh serve to effectively dilute board authority without proper and proven cause.

Furthermore, we especially object to any effort to create new regulations affecti mergers between two federally insured credit unions. Current regulations are more th adequate and working well, empowering NCUA with all reasonable and necessa oversight authority. Instances of inappropriate merger activities are not apparent, as it our experience that only disgruntled merger bidders who were not selected and/or lo competing credit unions are the source of complaints NCUA receives related to merge not members before the merger the transaction is completed, and not members after t merger transaction is completed.

In regards to developing a fiduciary standard of care, creating a standard that diffe significantly from case and state law within any jurisdiction is confusing, and could res in rules that are "more restrictive" than that required of other types of financ institutions for similar charter change transactions. As was an issue in developing rules

P.O. Box 691510 • 16211 La Cantera Parkway • San Antonio, Texas 78256-2419 • 210-476-4000 -

or credit union conversions to an MSB, rules for credit unions should be no more estrictive than rules that govern charter changes for other financial institution charters. Consequently, we respectfully suggest that credit union boards only need a good and upportable reason for making decisions related to merger or other charter changes, and o more NCUA regulation is needed or warranted.

Ve do not support required merger dividends, nor do we support requiring that credit nions justify merger proposals that do not include a merger dividend to members. The alue of a merging credit union is best left to market forces without government ntervention. Requiring justification of the market value of a merging credit union is npractical, as those without requisite knowledge of applicable valuation models, ethodologies, and related issues may not be able to accurately draw conclusions about arket value.

closing, NCUA has sufficient authority to regulate charter changes, and should ontinue to use existing rules to address issues and concerns on a case-by-case basis ithout creating an entirely new body of burdensome regulations. Additionally, as stated reviously, we find the proposal of new regulations for mergers between credit unions specially unnecessary and inappropriate.

hank you for considering the comments of Security Service Federal Credit Union. If ou have any questions or require clarification, President & CEO David Reynolds or I are vailable at your convenience.

Sincerely,

ROBERT P. EGGER
Chairman of the Board