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From: Mark Flammer [mndflammer@comcast.net]
Sent: Monday, October 27, 2008 2:20 PM
To: _Regulatory Comments
Subject: Mark Flammer Comments on Share Insurance for Revocable Trust Accounts

7535-01-U

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 745

RIN 3133-AD54

Share Insurance for Revocable Trust Accounts

AGENCY: National Credit Union Administration (NCUA).

ACTION: Interim

Recommendation: Use the term "designated beneficiaries" in place of "named beneficiaries" throughout the rule change.

Reason:

Under section D on page 12, maximum coverage under the interim final rule is limited by the number of beneficiaries *named* in the revocable trust. "Named" leaves open to interpretation whether beneficiaries must be listed by name, or could be designated by kinship or relation as members of a defined class of beneficiaries (e.g. all children of a named beneficiary) and thereby be insured. Unless this is clarified, it is likely that beneficiaries of a revocable trust who are designated only by their kinship as belonging to a class will not be reflected in credit union records. It is assumed that the omission of coverage for unnamed beneficiaries falling within a defined class would be accidental. If it is intentional, and trusts will be required to list the names of all members of a class of beneficiaries to afford coverage, then this point should be clarified in the regulation and promulgated to trust owners.