



Adams County Farm Bureau Co-Op Credit Union

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June 3, 2005

Proposed Rule for FDICIA Disclosures, Matter No. R411014
Federal Trade Commission/ Office of the Secretary
Room H-159 (Annex A)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Secretary:

Adams County Farm Bureau Co-Op Credit Union, with 367 members, converted from federal to private share deposit insurance in September 1987 and followed the comprehensive requirements of the National Credit Union Administration (NCUA), Rule §708b, in doing so.

NCUA's rule specifically required us to inform each member in writing that the credit union was soliciting their vote to convert from federal to non-federal insurance, and that an approved conversion would result in their accounts no longer being federally insured or guaranteed by the federal government. After the membership vote was certified, and the conversion approved by NCUA, each member was provided with another written notice that their accounts were no longer federally insured.

Since converting to private insurance, our credit union has made every effort to comply with the requirements of consumer disclosure under the FDIC Improvement Act of 1991, including obtaining signed acknowledgments of disclosure from all new members.

We believe that we have adequately informed our members of their insured status, and to require us to solicit more than 800 members for the purpose of obtaining 100% compliance in terms of new signature or acknowledgment cards would be unreasonable, impractical and require an excessive amount of time and expense in attempt to implement this unreasonable proposed provision.

As a former credit union examiner with the Indiana Department of Financial Institutions, I am also aware of the difficulty that all credit unions will have obtaining this type of compliance. The larger credit unions (5000 plus members and up) will be burdened by the sheer amount of hardcopy or digital images needed to be retained, and the smaller credit unions such as ours will be faced with the potential cost of additional staffing to ensure compliance. Both scenarios will present economic hardships to these financial institutions and ultimately the membership base as a result of the proposed requirements.

We ask that you reconsider this specific requirement in your final regulation, in light of the comprehensive disclosures required under NCUA's Rule §708b.

Respectfully submitted,
Jon A. Bell, Manager