



November 1, 2007

National Association of State Credit Union Supervisors  
NASCUS Credit Union Advisory Council  
National Institute for State Credit Union Examination

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

Dear Ms. Rupp:

The National Association of State Credit Union Supervisors (NASCUS)<sup>1</sup> applauds the National Credit Union Administration's (NCUA) continuing emphasis on accountability and greatly appreciates the opportunity to better understand the agency's proposed 2008 Operating Budget.

At the recent Annual Public Forum and Briefing, NCUA senior staff noted that the National Credit Union Share Insurance Fund (NCUSIF) currently provides funding for training of state credit union examiners. It was further pointed out that examiners in certain states regulate both federally insured and privately insured credit unions and NCUA senior staff questioned the propriety of the NCUSIF-funded training for those examiners.

NASCUS believes that consistency of training for agencies and consistency of examination standards provide great benefit to the credit union system. It is certainly proper for the NCUA, as administrator of the NCUSIF, to evaluate the propriety of all fund expenses. Regrettably, the nature of the NCUA budget process has left little time for a comprehensive analysis and discussion of this issue by NASCUS and state regulators with the NCUA. NASCUS is also concerned that the potential timing of any changes in the availability of training may have some adverse consequences for states. For example, a number of the agencies in question have two-year fixed budgets. Should NCUA make any changes prior to year-end 2009, these states might find it difficult to augment their established training budgets to accommodate such changes.

NASCUS believes this is an important issue that deserves careful consideration and dialogue between the parties. Accordingly, NASCUS urges further deliberations between NCUA and state regulators before a final decision is rendered on the matter, and recommends that NCUA and state regulators form a committee to discuss all of these issues and reach a consensus on how to proceed.

We appreciate the opportunity to comment on this issue, and hope that the Board will take into consideration the concerns expressed by NASCUS and the state supervisory authorities.

Sincerely,

Mary Martha Fortney  
NASCUS President and CEO

<sup>1</sup> NASCUS is the professional association of the 48 state and territorial credit union regulatory agencies that charter, regulate and supervise the nation's 3,400 state-chartered credit unions.