



February 22, 2011

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

Re: NASCUS Comments on Interim Final Interpretive Ruling and Policy Statement
(IRPS) No.: 11-1

Dear Ms. Rupp:

The National Association of State Credit Union Supervisors (NASCUS)¹ appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) concerning NCUA's Interim Final Interpretive Ruling and Policy Statement (IRPS) No.: 11-1, Supervisory Review Committee. NASCUS supports NCUA's expansion of the Supervisory Review Committee jurisdiction to include appeals related to the Technical Assistance Grant (TAG) reimbursement denials. We also support the consolidation of the previous Supervisory Review Committee IRPS 95-1 and 02-01 into Interim Final IRPS 11-1. NASCUS recommends NCUA consider further increasing the overall transparency of the appeal processes when credit unions request formal reconsideration of NCUA supervisory determinations.

The consolidation of the Supervisory Review Committee related IRPSs into a single guidance reduces regulatory burden on credit unions by eliminating the need to look back through IRPSs issued over multiple years. NASCUS has long advocated reducing regulatory burden by reorganizing NCUA's rules, for example consolidating all NCUSIF insurance rules into a single chapter.

We commend NCUA for expanding the jurisdiction of the Supervisory Review Committee to include TAG reimbursement denial appeals. Federally insured credit unions deserve a meaningful process by which disputed supervisory action may be resolved. Such a process provides a fair process for credit unions and strengthens supervision.

To further those goals, NASCUS recommends NCUA consider several additional enhancements to its policy governing the Supervisory Review Committee:

- The names of Committee members and scheduled meetings of the Committee should be made readily available on NCUA's website.

¹ NASCUS is the professional association of the 46 state credit union regulatory agencies that charter and supervise the nation's 3,000 state-chartered credit unions.

- The agenda for meetings of the committee (with sensitive identifying information of credit unions redacted) should also be made publicly available on the website.
- The Committee should release an annual report of its activities.

In addition, NCUA should consider enhancing the overall appeal process for credit unions seeking reconsideration of NCUA supervisory determinations such as denials of field of membership expansions and regulatory waivers.

A robust and more transparent appeal process benefits multiple parties. For the credit union appealing a decision, it instills more confidence that the appeal process is meaningful. For the industry at large, it provides instruction on NCUA's reasoning and may better inform future decisions or submissions by other credit unions. Appeals of material supervisory actions would of course have sensitive and identifying information redacted. In some matters there may be less concern for confidentiality.

Thank you for the opportunity to comment Interim Final IRPS No.: 11-1, Supervisory Review Committee. The Interim Final IRPS 11-1, as published, improves NCUA's supervisory oversight of federally insured credit unions. Please do not hesitate to contact me to discuss our comments further.

Sincerely,

- signature redacted for electronic publication -

Brian Knight
Senior Vice President & General Counsel