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From: John Davis [john_davis@sfcu.org]
Sent: Friday, April 03, 2009 6:00 PM
To: _Regulatory Comments
Subject: Comments on Advanced Notice of Proposed Rulemaking for Part 704

From: Stanford Federal Credit Union
John R. Davis, CEO

The ANPR request comments on improvements of the Corporate Credit Union System.

There are two major areas in which the current corporate credit unions operate: investments and servicing. I reserve comment on the investment aspect of corporate credit unions as Stanford Federal Credit Union concurs with the comments of the California Credit Union league in those matters.

Our comments regard the servicing currently provided by corporate credit unions

We feel that maintaining investments and servicing, such as item processing and payment systems, under one "roof" or within one entity within the corporate credit union system is unnecessary and inefficient.

We believe that those two activities are not related and should be separated.....there are diversely different management, financing, and physical requirements for each. Isolation of services from investing activity will insulate the risk of each activity from one another.

There are adequate commercial entities and non-corporate credit union entities offering competitive servicing activities. As example the Georgia Credit Union League has extensive service offerings.

We recommend that improvement in the corporate credit union system REQUIRE separation of any servicing functions as described above, should the investment functions of corporate credit unions be continued.
