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August 3, 2006

Ms. Mary Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Re: Revisions to the Official Sign Indicating Insured Status

Dear Ms. Rupp,

On behalf of State Employees Federal Credit Union (SEFCU), I would like to thank the National Credit Union Administration (NCUA) Board for inviting us to comment on the proposal to amend NCUA's regulation concerning the required use of the Official NCUA Share Insurance Sign Indicating Insured Status.

SEFCU is committed to complying with all rules concerning the use of the official share insurance logo as required by NCUA's Regulation Part 740. It is clear that NCUA's proposed amendments to the logo are consistent with the recent changes enacted by Congress related to share insurance in federally insured credit unions.

Although the legislation provided some latitude to NCUA as to the verbiage on the logo, NCUA's proposed language, "Your savings federally insured to at least \$100,000 and backed by the full faith and credit of the United States Government" seems to be sufficient. One suggestion may be to add the word "are" after "savings".

The provision in the proposal about which we are most concerned, and about which NCUA is seeking specific comments, is the 60-day compliance deadline for use of the updated logo. Since NCUA plans to provide an initial supply of the new official signs, SEFCU does not foresee an issue with switching out the outdated signs in locations where deposits are accepted (such as teller windows and member service desks), as required. However, since each credit union will need a different number of stickers, we suggest that perhaps NCUA could seek input from each credit union as to how many stickers each will need before sending the initial supply. An alternative is to make sure that NCUA has an ample supply and allow credit unions to order, free of charge, the necessary number of updated stickers based on each individual credit unions' specific needs.

The proposed 60-day time frame is plenty of time to update the logo anywhere we have it posted electronically to our public and Internet banking websites.

We are concerned about radio and television advertisements that would need to be filmed and taped over to change the required disclosure. This involves time and money for the studio and the talent hired for the voiceovers. We would possibly need more than the 60 days to secure the talent and studio time and the cost of re-taping could be prohibitive.

Another challenge we foresee comes into play when we contemplate replacing the logo on existing stock of disclosures, advertising materials and other printed items. The proposed 60-day window is simply not sufficient for these documents. We recommend that NCUA allow credit unions to exhaust existing stock of disclosures and marketing materials that contain the "old" logo and update the logo on new orders thereafter. The expense of replacing existing stock of disclosures and marketing materials could be astronomical and there is truly no detriment to members in allowing us to exhaust existing inventory.

SEFCU would be happy to provide details on affected documents, such as the amount of existing inventory, the costs associated with destroying that inventory and the costs associated with updating and ordering new disclosures and marketing materials. It is also important to note that some of the printing jobs are put out for bid, which complicates the timing even further.

Once again, I would like to thank the NCUA Board for the opportunity to comment. I would be happy to further discuss this matter, specifically the pricing issues raised in this letter, if you so desire.

Sincerely,



Donna J. Chardeen  
Director of Regulatory Compliance  
State Employees Federal Credit Union

cc: Michael Castellana, President, SEFCU  
Michael Carter, Compliance Education Specialist, NYSCUL