

March 17, 2006

National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: Part 715 – Advanced Notice of Proposed Rulemaking on Supervisory Committee Audits

The implementation of the Sarbanes Oxley (SOX) requirements on credit unions, particularly those that address an opinion audit on Internal Controls, appears to be somewhat beneficial on the surface, it is necessary to weigh the costs and benefits with this new proposed rulemaking.

Credit Unions are not publicly-held companies and inherently less risky than other industries. Although the benefit is to have an attestation from an outside auditor on the Credit Union's Internal Control Systems, however, this will mean unnecessary significant additional costs to be incurred year after year.

The biggest costs the credit unions will have to incur, result from the need to hire employees who are qualified to document and test the internal control systems in the entire organization, and make the appropriate changes. This process will take a significant amount of time and monies, and provide a little benefit to the membership.

The other cost credit unions will have to incur as well, is the auditor's fee to render an opinion audit on the entire credit union's internal control systems. This audit fee is normally much higher than the financial audit fee.

Apparently, the costs of the implementation of SOX on credit unions will put a burden on them, at times, when they need to focus more on continuing to serve better their members.

Sincerely,

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