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June 3, 2008

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

Re: Comments on Proposed Interpretive Ruling & Policy Statement 08-1

Dear Ms. Rupp,

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on NCUA's Proposed Interpretive Ruling & Policy Statement (IRPS) 08-1 concerning guidance on the prohibition of certain persons to participate in credit union affairs. As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 178 credit unions that have over 1.7 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

Section 205(d) of the Federal Credit Union (FCU) Act prohibits, without the prior written consent of the NCUA Board, a person convicted of any criminal offense involving dishonesty or breach of trust, or who has entered into a pretrial diversion or similar program in connection with a prosecution for such offense, from becoming or continuing as an institution-affiliated party, or otherwise participating, directly or indirectly, in the conduct of the affairs of an insured credit union. The NCUA Board has expressed concern that many insured credit unions, as well as institution affiliated parties, may not be aware of the prohibition imposed by Section 205(d) of the Act.

We support this prohibition and express our appreciation to the Board for taking action to ensure all credit unions understand the importance of the provision. We encourage the Board to consider the following issues:

- We would encourage the Board to adopt further guidance in the form of a Letter to Credit Unions, in lieu of the proposed IRPS. The Letter To Credit Union format is more recognizable and acceptable to credit union management when trying to deal with the specific criteria necessary for adhering to the provisions of the Act.

- NCUA is proposing to exclude certain de minimis offenses that meet specified requirements and juvenile offenses from the need to request consent from the Board. While the proposed IRPS includes certain criteria for these types of offenses, we remain concerned that there can be various interpretations of what is considered a de minimis offense. Therefore, we encourage the Board to define or outline what types of crimes are considered de minimis and include those in the form of a list within the regulation.
- Section 205(d) of the Act imposes a duty upon every insured credit union to make a reasonable inquiry regarding the history of every applicant for employment. NCUA believes that inquiry should consist of taking steps appropriate under the circumstances, consistent with applicable law, to avoid hiring or permitting participation in its affairs by a person who has a conviction or participation in a pretrial diversion program for a covered offense. In many cases around the country, credit unions have long-term employees and board members who might have been hired or elected without having extensive background inquiries performed. In these cases, we would seek clarification from the Board on the expectations for those credit unions in such cases. For example, are they expected to go back and conduct the same level of background inquiry for long-term employees and volunteers as they do for prospective ones?
- The NCUA believes that at a minimum, each insured credit union should establish a screening process which provides the insured credit union with information concerning any convictions or pretrial diversion programs pertaining to a job applicant. This would include, for example, the completion of a written employment application which requires a listing of all convictions and pretrial diversion programs. We would ask that the Board clarify this provision by providing further clarification on the expected 'due care' of the credit union in this process and provide liability protection if those parameters are met.
- We believe that a model application for requesting consent is necessary to ensure uniformity and consistency throughout the consent process. As noted by the Board, the FDIC version can serve as a model.

Thank you for the opportunity to comment on the proposed IRPS 08-1. If you have questions about our comments, please contact Cindy Connelly or me at (770) 476-9625.

Respectfully submitted,



Richard Ellis
Vice President/Credit Union Development
Georgia Credit Union League