



**NORTH CAROLINA  
CREDIT UNION LEAGUE**

*Committed to helping credit unions succeed*

May 28, 2010

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

Re: 12 CFR Parts 701, 708a, and 708b Fiduciary Duties at Federal Credit Unions; Mergers and Conversions of Insured Credit Unions

Dear Ms. Rupp:

On behalf of the North Carolina Credit Union League (NCCUL), I am writing in response to the recently issued proposal to clarify the fiduciary duties and responsibilities of federal credit union directors, and add new provisions for insured credit union conversions and mergers. NCCUL represents 95 North Carolina credit unions with a growing membership of 3.1 million and appreciates the opportunity to comment on the proposal.

NCCUL values the efforts made by the Board to clarify the fiduciary duties of federal credit union directors and to protect the rights of credit union members during a conversion or merger. However, while we agree with the majority of this proposed rule as being reasonable in its requirements, we are concerned with some aspects of the proposal as outlined in the following points:

The North Carolina Credit Union League represents 28 federal credit unions under \$50 million in assets and 11 with less than \$10 million in assets. Our primary concern lies with these smaller institutions and the costs associated with such requirements. The NCUA's Office of Small Credit Union Initiatives should provide further resources to mitigate the effects these standards will have on maintaining a qualified board of directors.

As I am sure others will address in their comments, issuing this regulation applicable to federal credit unions may be redundant with existing state law fiduciary duties. This is an area that warrants further explanation by the NCUA Board.

As a final thought, unintended consequences could result if these fiduciary standards are adopted. In the best of times, it is difficult for some credit unions to recruit qualified individuals to serve as volunteers. If regulators continue to increase the volunteer's legal liability and pose finance and accounting expertise requirements, it could make recruitment impossible for credit unions.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Lauren D. Whaley".

Lauren D. Whaley  
Director of Legislative and Regulatory Affairs  
North Carolina Credit Union League  
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