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May 25, 2005

Proposed Rule for FDICIA Disclosures, Matter No. R411014
Federal Trade Commission/ Office of the Secretary
Room H-159 (Annex A)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Secretary:

Energy First Credit Union is \$405 million in total assets and principally represents the employees, retirees and family members of the Southern California Gas Company. Energy First has been privately insured since before June 19, 1994. In 1994, we complied with the requirements of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), by mailing three sequential notices to our then-current members, seeking their signed acknowledgments recognizing that Energy First Credit Union was a privately insured institution and it did not have federal insurance coverage on its deposits.

During the second half of 1994, the credit union mailed approximately 15,300 notices in each of the three mailings that were required to comply with FDICIA at a cost to the credit union of approximately \$90,000. Since 1994, we have made every effort to comply with the acknowledgment of disclosure requirement of FDICIA with respect to new members joining the credit union.

The records supporting our compliance with FDICIA on the three sequential mailings have been destroyed as required under the credit union's records retention policy. We believe that the proposed requirement by the FTC to obtain such notices over again, due to the lack of proof of our earlier compliance, would impose an excessive regulatory burden and excessive and unnecessary cost to the credit union. Energy First consistently provides information and appropriate disclosure to all members on the nature of the deposit insurance that we provide through American Share Insurance as well as the fact that this is not federal insurance and accounts are not backed or guaranteed by the federal government or the State of California. Also given the fact that there has not been regulatory guidance by the FTC over the last 14 years, we feel the time period for all forms of compliance with the acknowledgment provisions should commence with the future effective date of any rule promulgated by the FTC.

Thank you for your consideration.

Sincerely,

Lynn Bowers
President and CEO
Energy First Credit Union