

June 7, 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:

I am writing in response to the FTC's request for comments on the currently proposed rule affecting consumer disclosures for credit unions that are privately insured.

Our credit union is a \$141,047,404 federally-insured credit union with 8,901 members; and although the proposed rule may not have a direct effect upon my credit union, I am concerned that the Federal Trade Commission is requiring credit unions that are privately insured, to notify consumers of their non-federally insured status in a manner that I believe is excessive, and maybe alarming.

The FTC's broad interpretation of when and how privately insured credit unions must disclose their insurance status is broader than that required of federally insured banks or credit unions, and more excessive than that required of totally uninsured investments, such as mutual funds, stocks, etc.

To require that every member sign an acknowledgement that they are aware of their uninsured status, or lose the right to deposit funds with the credit union, is unheard of in any other form of investment or depository account relationship today. The FTC through this rule is attempting to pre-empt a state-authorized right for a credit union to be privately insured.

I believe fair and honest disclosure is very necessary, however, the breadth and scope of the FTC's proposed rule presents an unprecedented regulatory burden to otherwise safe and sound credit unions. The rule needs to be fair to all and recognize what needs to be actually attainable, while remaining original in scope, to the FDICIA statute.

Thank you.

Respectfully,

Bob Johnson
CEO

